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MADRAS RECORD OFFICE

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 101 Press
~~Mis.~~

205 206

Dated 16-1- 1963

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 16th January 1863.

No. 205. Read the following letter from W. HUDLESTON, Esq., Secretary to the Board of Revenue, to A. J. ARBUTHNOT, Esq., Chief Secretary to Government, dated Madras, 6th November 1862, No. —

SIR,

1. Referring to Government Order dated 5th August 1862, No. 1,667, Revenue Department, I am directed by the Board of Revenue to submit the following simplified rules for the sale of Salt on credit on deposit of negotiable securities.

2. The Board would at the same time suggest that the discount on wholesale transactions might with advantage be increased to 10 per cent. on purchases of not less than 30 Garces.

DRAFT RULES.

From and after ———— the purchase of Salt will be allowed on credit under the following rules :—

1. The intending purchaser must deposit in the Collector's Treasury, blank endorsed Government Promissory Notes, Treasury Loan Acknowledgments or Treasury Bills, and sign a simple form of Agreement (Appendix A) consenting to their sale by the Collector in adjustment of the account in the event of his failing to make such adjustment *by payment* as required by these rules. He will thereupon be allowed credit for the amount of such deposits at their probable market value, to be determined by the Collector; the account being subject to adjustment at the close of every half year at latest, or oftener when necessary, as herein after provided.

2. On written application to the Collector or Deputy Collector in charge of the Salt Department the depositor shall be supplied with Salt in such quantities and at such places of sale within the District as he may specify and as circumstances may permit, to the extent of the credit thus allowed to him; but the credit will on no account be allowed to be overdrawn.

3. The cost of the Salt thus supplied will be debited in the depositor's Account Current by the Collector at the Government monopoly rate, less discount in case of purchases by the heap; and the interest on the securities deposited will be drawn by the Collector as it falls due, and credited in the same account.

4. When the debits and credits balance each other, or at the end of every six months, the depositor must either renew the credit or close the transaction by payment of the outstanding balance into the Collector's Treasury in cash, Accountant General's Bills, or Currency Notes, within fifteen days from notice given by the Collector, who will otherwise proceed forthwith to adjust the account by sale of the securities, and will pay over to the depositor any surplus sale proceeds remaining after adjustment of the account. The depositor may at his option close the account at any time by payment as above of the balance outstanding against him.

5. The depositor will receive from the Collector a receipt for the securities he may lodge under these rules, which receipt will also exhibit the amount of the credit and must be surrendered before the securities can be released on the closure of the account. He will be required to grant written receipts for all Salt delivered to him, to the local Superintendent, at the time of delivery. Nothing in these rules shall preclude such depositor from purchasing Salt for cash during the currency of his credit and independently of that account.

6. Salt supplied to the depositor under the credit system must be removed beyond the limits of the Government Kotars within one week from the date of the order for delivery at the Madras Town Depôt, and within three days from such date at any other place of sale.

APPENDIX A.

I A. B. having deposited in the Collector's Treasury ———— at ———— blank endorsed, the undermentioned securities, viz., ————————————————— on account of my credit account for the purchase of Government Salt, do hereby agree and consent to sale of the said securities being made by the Collector in adjustment of the said account under the terms of the Government rules, in the event of my failing to make such adjustment *by payment*, as required in the said rules, the surplus if any of such sale proceeds, remaining over after such adjustment being payable to me by the Collector.

I also hereby consent and agree to the interest, on such securities being drawn by the Collector as it may fall due, and credited to my said account.

(Signed.) W. HUDLESTON, *Secretary.*

No. 206. ORDER THEREON, 16th January 1863, No. 106.

1. The Governor in Council on a careful re-consideration of the subject is of opinion that the safest course will, after all, be to adopt the rules originally proposed and revised by their Law Officers with the addition of a rule requiring Salt purchased on credit to be removed within one week from the date of delivery, the Salt after such purchase being at the risk of the purchaser.

2. The Government would slightly modify Rule 3 so as to require the adjustment of the accounts every six months. The words "Notes of the Madras Bank" and "General Treasury" in Rule 12 should be omitted, and "Paper Currency" and "Bank of Madras" substituted. The receipts granted by the Secretary to the Bank will be sufficient vouchers for the Collectors to deal with.

3. The rate of interest in Rule 11 should be fixed at 12 per cent.

4. The form of Agreement proposed by the Board is brief and simple, and if it meets legal requirements should be adopted. The Board will ascertain from the Government Solicitor whether their form will suffice or not, and if it will, at once print and circulate the rules as well as the similar set for the import of Salt on credit.

5. The Government observe that the Board assign no reason for their recommendation that the "Discount" on purchases of entire heaps should be raised to 10 per cent. when three heaps are taken at once. The object sought in encouraging the sale of Salt by heaps is the saving of the expense, &c., of measuring out the Salt, and loss by wastage. So long as heaps are sold entire this object is attained as well by the sale of heaps singly as in sets of three, and the Government do not see therefore what will be gained by endeavouring to sell the heaps in tho latter way in return for the doubling of the discount. The Government have no reason to believe that the present discount, 5 per cent., is too low, and they remark that in Madras, where capital is more abundant than in the Provinces, the sales by the heap in Fasli 1271 were Indian Maunds 7,68,000, while the "retail" sales were only Indian Maunds 98,900. The Government apprehend that the Board's proposal would only lead to purchasers clubbing together to purchase the prescribed number of heaps.

(Signed.) J. D. SIM,
Secretary to Government.

2

Revenue Board Office
Madras
6th November 1862.

No.

From
W. Hudleston Esq
Secretary to the Board of Revenue

To
A. J. Arbuthnot Esq
Chief Secretary to Government

Sir,

Referring to Government order dated 5th August 1862 No. 1667 Revenue Department I am directed by the Board of Revenue to submit the following simplified rules for the sale of Salt on credit on deposit of negotiable securities.—

2 The Board would at the same time suggest that the discount on wholesale transactions might with advantage be increased to 10 per Cent on purchases of not less than 30 garces.

I have the honor to be
Sir,
Your most obedient Servant
W. Hudleston
Secretary

For order—
See 15 June

Revenue Board Office
Madras
6th November 1862.

To
A. J. Arbuthnot Esq
Chief Secretary to Government.

Draft Rules- From and after——
——— the purchase of Salt will be allowed on credit under the following rules.-

The intending purchaser must deposit in the Collector's Treasury- Bank endorsed Government Promissory Notes- Treasury Loan acknowledgments or Treasury Bills, and sign a simple form of agreement (App. 4) consenting to their sale by the Collector in adjustment of the account in the event of his failing to make such adjustment by payment as required by these rules. He will thereupon be allowed credit for the amount of such deposits at their probable marketable value, to be determined by the Collector, the account being subject to adjustment at the close of every half-year at latest, or oftener when necessary, as herein after provided.

On written application to the Collector or Deputy Collector in charge of the Salt Department the depositor shall be supplied with Salt in such

such quantities and at such places of sale within the District as he may specify and as circumstances may permit, to the extent of the credit thus allowed to him; but the credit will on no account be allowed to be overdrawn.

The cost of the Salt thus supplied will be debited in the Depositors account current by the Collector at the Government monopoly rate, less discount in case of purchases by the heap; and the interest on the securities deposited will be drawn by the Collector as it falls due, and credited in the same account.-

When the debits and credits balance each other, or at the end of every six months, the Depositor must either renew the credit or close the transaction by payment of the outstanding balance

balance into the Collector's Treasury in cash, Accountant General's bills, or currency notes, within 15 days from notice given by the Collector who will otherwise proceed forthwith to adjust the account by sale of the Securities, and will pay over to the Depositor any surplus sale proceeds remaining after adjustment of the account. The depositor may at his option close the account at any time by payment as above of the balance outstanding against him.

The depositor will receive from the Collector a receipt for the securities he may lodge under these rules which receipt will also exhibit the amount of the credit and must be surrendered before the Securities can be released on the closure of the account. He will be required to grant written receipts for all salt delivered to him, to the local Superintendant at the time of delivery. Nothing in these rules shall preclude such depositor from purchasing salt for cash during the currency of his credit and independantly of that account.

Salt supplied to the depositor under the credit system must be removed beyond the limits of the Government Stores within one Week from the date of the order for delivery at the Madras Town depôt, and within 3 days from such date at any other place of sale.

Appendix A.

I A. B. having deposited in the Collector's Treasury at blank enclosed the undermentioned Securities Viz.t

on account of my credit account for.

for the purchase of Government Sale-
do hereby agree and consent to Sale of
the said Securities being made by the
Collector on adjustment of the said
account under the terms of the Govern-
ment rules, on the event of my fail-
ing to make such adjustment & my
payment, as required on the said rules.
the surplus if any of such Sale pro-
ceeds remaining over after such ad-
justment being payable to me by
the Collector.

I also hereby consent and
agree to the interest on such Securities
being drawn by the Collector as it may
fall due, and credited to my said
account.

C. Hudson
Secretary.

Ex 224.

Pro 106.

Rule. The sale of Salt on credit has been ordered in 1858 but has never been brought into operation - Rules are required to regulate the sale & Issue thereof. S.R.L.

Encloses draft rules for the sale of Salt on credit on deposit of negotiable securities, and suggesting that the discount on wholesale transactions might be increased to 70 per cent on purchases of not less than 30 Garces.

From the Secretary to the Board of Revenue, dated 6th Nov. 1862.

Rec'd 7th Nov. 1862.

2. The Board wrote slightly modifying Rule 3 and to require the adjustment of the accounts every Fortnight. The amended "Bank of Madras" and "Bank of Madras" and "General Treasury" in Rule 12 & Counter-parts to be furnished to the Bank's Treasury & Sub-Treasuries.

Rec'd 13th Nov. 1862.

Pro 5th Aug. 1862 No 62-63.

Rev. 1862 No 106.
Rec'd from Govt for Nov. 1863.

From
The Secretary to the
Board of Revenue

To
The Chief Secretary to
Government

Dated 6th
Desp. 6th
Rec'd 7th
November 1862

No
S.O No. 106. 16 Jany
Submitting to Govt
Draft rules for the sale
of Salt on credit on deposit
of negotiable securities, and
suggesting that the discount
on wholesale transactions
might be increased to 70
per cent on purchases of
not less than 30 Garces.

No 205.

Cy Jany 1863 R 13th

at 12 per Cent.

4. The form of agreement prescribed by the Bd is brief. & Simple and if it meets Royal approval should be printed & Circulated the Bd as well as the Similar Set for the purpose of Salt on credit -

5: The first Observation that the Bd assign no reason for their recommendation

that the "Discount for purchases of entire Heaps should be paid & 10 per cent when 3 Heaps are taken at once - The object would be encouraging the Sale of Salt by Heaps in the saving of the Expence of Salt by Measure, and the Salt by Wastage - So long as Heaps are sold entire the object is attained as well by the Sale of a Single Heap as of Several and the first do not See therefore what will be gained by endeavoring to sell the Heaps in Lots of ~~three intervals of~~ three in return for the Granting of the Discount - The first Re-

No reason to believe that the present Dis. Com. 2, 5 per cent, is too low and they remark that in Madras, where capital is more abundant than in the Provinces the sales by the Bank in F. 1271 were Rs. 768,000 while the "retail" sales were only Rs. 98,900 — The first appointed that the Bd. purposed would only lend & purchase Govt Stocks & other & purchase the prescribed Number of shares —

I do so.

Board of Rev.
Trial Docket

No Copies to the Bd. of Rev.
Dis. 19

Revenue 1863 Dep.t

Proc.s of Govt for Levy.

No. 16.

Proc.s of the Madras Govt.

Dat.d 16th January 1863.

27-11-1907

25-10-1907

7-7-07

A draft Rule submitted by the Board of Revenue for the sale of Salt on credit on deposit of negotiable securities, and Orders thereon.

No. 205 & 206.