M.R.O. 14—18,000—27-9-34.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 367 Press ~~Mis.~~

8.9

Dated 1 3 — ~~19~~ 1864

Not to be folded or roughly handled

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Proceedings of the Madras Government, Revenue Department,
1st March 1864.

No. 8. Read the following letter from W. HUDLESTON, Esq., Secretary to the Board of Revenue, to J. D. SIM, Esq., Secretary to Government, Revenue Department, dated Madras, 29th January 1864, No. 618:—

From Board to Government, dated 29th October 1861, No. 5,926.
Government Order, dated 11th November 1861, No. 3,168, Revenue Department.
Government Order, dated 20th idem, No. 2,191.
Board to Government, dated 22nd idem, No. 6,471.
Government Order, dated 11th March 1862, No. 631.

SIR,

1. I am directed by the Board of Revenue to solicit the re-consideration by Government of the proposal which the Board submitted, in the correspondence noted in the margin, for the introduction of the Discount system for the sale of Stamps by licensed Vendors.

2. The Board deem it unnecessary to insist on the primary importance to the revenue of affording to the public every possible facility for supplying themselves licitly with the Stamps prescribed by Law for use in daily transactions. They have reason, however, to doubt whether such facility is afforded by the existing system of Commission sales, or can indeed be attained under it.

3. This system involves the necessity of the Government taking security for stock to a not inconsiderable amount from a large umber of scattered Vendors, and of requiring numerous accounts and returns from the Vendors; and in practice it is found that these checks impede the supply to the public demand, and that the system exposes Government to a risk which, as Government are aware, has in more than one instance lately resulted in loss.

4. The Discount system which is in force in Bengal, and which was formerly advocated by the Board for adoption here, commends itself to the Board's deliberate judgment as being more simple and efficacious than that of sales on Commission; but it is in combination with this latter system that the Board formerly proposed, and now again recommend, that a trial be made of the Discount system.

5. The Board have reason to believe that when petty dealers in produce keep on hand a stock of the Stamps needed by them for their own transactions, they readily avail themselves of the liberty allowed by Section 49, Act 10 of 1862, for the re-sale of Stamps obtained for use and not for sale, and have no difficulty in securing a trifling profit on the investment of their capital in this commodity when no licensed Vendor may be resident in the same village.

6. The practice is doubtless a straining of the provision of the Law; but the fault lies with Government and not with the public, who cannot be expected to incur great inconvenience and loss of time by travelling to a distance to procure from a licensed Vendor what is obtainable at very trifling additional cost on the spot where they reside.

7. It is moreover an imperative duty on the Government which creates a statutable offence, to afford every possible facility for complying with the requirements of the Law; and the Board have no hesitation in saying that this duty is only imperfectly performed at present in this Presidency, owing to the difficulty of securing the necessary number of Vendors on Commission who are able to provide the requisite security. They, therefore, strongly advocate the introduction of the system of Discount sales to licensed Vendors in view to the Government more nearly attaining the end in view.

8. They propose to authorize Collectors to supply licensed Vendors at stations other than the Presidency Town and the chief station of each District, with Stamps for re-sale to the value of not less than Rupees 10 at a time on *cash payment* with a Discount of 4 per cent; and at the Presidency Town and the chief station of each District to allow a Discount of 3 per cent. in similar cases; but with the proviso that in no case shall Discount be allowed on the purchase of any sheet of Stamp paper of which the value is more than Rupees 50.

9. These are the rates of Discount allowed in such cases in Bengal; and the Board do not consider them higher than is necessary for the purpose. The amount of the purchase on which Discount is allowed in Bengal is Rupees 25; but the Board are of opinion that the lower amount of Rupees 10 above proposed is unobjectionable and desirable as affording greater inducement to the adoption of the system.

10. The Collector in each District would be at liberty to license any person at his discretion to vend Stamps on this system; and as all necessity for taking security and for the complicated array of accounts and returns unavoidable under the Commission system would be got rid of under the Discount system, the Board trust that no difficulty will be found in inducing respectable dealers to undertake the vend in combination with their ordinary dealings, and thus to increase the facilities of supply to the public, and also indirectly (the Board have little doubt) to add materially to the revenue by promoting the use of Stamps.

No. 9. ORDER THEREON, 1st August 1864, No. 867

1. In their letter of the 29th October 1861, No. 5,926, the Board of Revenue proposed that the system then in force of remunerating licensed Stamp Vendors partly by fixed salaries and partly by a commission on their sales should be abandoned, and that they should wholly be remunerated either by a commission on their sales, or a discount on their purchases.

Sales up to Rupees 200	...	4 per cent.
Do. from 200 to 500 Rs.	...	3 do.
Do. from 500 to 2,000 „	...	2 do.
Do. above 2,000 „	...	1 do.

2. The scale of commission proposed ranged from 4 to 1 per cent. The rate of discount was to be 4 per cent. on purchases to the value of 100 Rupees and upwards.

3. The Board proposed that the sale of Adhesive Stamps should be on the same footing as that of Postage Stamps by an allowance of 4 Annas for every 9 Rupees paid.

4. The Government approved of the Board's suggestion of remunerating Vendors solely by commission and of allowing a discount on the purchase of Adhesive Stamps when not less than 10 Rupees worth were bought at a time. They pointed out, however, that as the commission allowed was 4 per cent. while the discount proposed was under 3 per cent., Vendors would probably prefer selling by commission.

5. As regards other Stamps they considered the adoption of the discount system unadvisable, because these Stamps were of such varying and often large values that Vendors would not be likely to keep such a stock of them as would meet the requirements of the public, and the Collector would still have to rely on Vendors remunerated by commission, and the gain by adopting the discount system would be both partial and uncertain. They also remarked that there would be difficulties in carrying out the requirements of the Stamp Act (Sections 28 and 29) when the Stamps were the private property of the Vendors.

Act XXXVI of 1860. The corresponding Sections of Act X of 1862, viz., 45 and 46 do not present the same difficulties.

6. It was ultimately decided that Collectors should be authorized to sell Adhesive Stamps to the value of not less than 5 Rupees to all applicants, allowing licensed Stamp Vendors a discount of 6¼ per cent. and other parties half that rate, and that the rate of commission should be the same as in the case of stamped paper.

7. The Board now revive the question of allowing the sale of other than Adhesive Stamps on discount. They propose to authorize Collectors to supply licensed vendors at stations other than the Presidency Town and the chief station of each District with Stamps to the value of not less than 10 Rupees at a time, at a discount of 4 per cent., and at the excepted stations at a discount of 3 per cent., provided that discount shall not be allowed on the purchase of any sheet of Stamp paper of which the value exceeds Rupees 50. The rate proposed is the same as that allowed in Bengal, but the minimum is considerably less, 25 Rupees being the limit in Bengal. The Board consider, however, that the lower rate while unobjectionable in itself affords greater inducement to the public.

8. The Government fully recognize the advantages of the discount system in simplifying the accounts, &c., and if they felt confident of its success they would give it the preference. The Board's arguments however do not convince them of the practicability of the arrangement. The Government can scarcely suppose that merchants would prefer *buying* Stamps to receiving them in security when the rate of remuneration is, as the Board propose, sometimes less (and never more) in the former than in the latter case, and in both cases is so very much below the current rate of interest. The Government see great objections to the vend of Stamps on discount and on Commission in the same place, and they gather from the Board's Proceedings that the adoption of the discount system will not even in regard to Stamps under 50 Rupees enable Government to give up sales on commission. If the Board are prepared to recommend the substitution of the discount for the commission system in any District or Districts the Government will take their proposal into consideration, but in that case they wish to have the opinion of the local Officers also laid before them.

9. The Board are requested to submit a Statement showing the sums paid as commission to each licensed vendor in Madras, during last year.

(True Extract.)

Secretary to Government.

Exd. S. T. Augustin.

To Capts Lake B.E. & Cooke Capt. D. Brandreth

Circumst to be allowed to Licensed Stamp Vendors.

Rev. Dept.

367

Proceedings of the Madras Government dated the 1st March 1862.

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

Dated 29th January 1862 No 618

Stating that in consideration of the introduction of the Deed Stamp System for the sale of Stamped Paper by Licensed Vendors

1. In their letter of the 29th October 1861 No 692 the Board of Revenue proposed that the system of allowing Licensed Stamp Vendors partly by fees and salaries, and partly by a commission on their sales should be abandoned, and that they should wholly be remunerated either by a commission on their sales, or a discount on their purchases

2. The scale of commission

Sir Charles Trevelyan

duced from 4 to 1 per cent. The rate of discount was to be 4 per cent on purchases to the value of 100 Rd and upwards.

3 The Board proposed that the sale of Adhesive stamps should be on the same footing as that of Postage stamps by an allowance of 4 annas for every 9 Rd paid.

4 The Govt approved of the Board's suggestion of remunerating Vendors solely by Commission, and of allowing a discount on the purchase of Adhesive stamps when not less than 10 Rd worth were bought at a time. They pointed out however, that as the Commission allowed was 4 per cent while the discount proposed was under 3 per cent Vendors would probably

Sales up to.
Rd 200 — 4 per cent
Do from 200
to 500 Rd — 3 Do —
Do from 500
to 2,000 Rd — 2 Do —
Do above 2,000 — 1 Do —

probably not for selling by commission.

5 As regards other stamps they considered the adoption of the discount system desirable, because the stamps were of such larger and often large values that Vendors would not be likely to keep such a stock of them, as would meet the requirements of the public and the collector would duly account for by Vendors Commission and the gain by adoption of the discount system would be both parties and meet an obvious want. They also remarked that there would be difficulties in many cases in the way of requirements of the stamps

stamp Act (sections 28 and 29) when the stamps were the private property of the Vendors.

6 It was ultimately decided that Collectors should be authorized to sell adhesive stamps to the value of not less than 5 Rupees to all applicants, allowing licensed stamp Vendors a discount of 6¼ per cent, and other parties half that rate - and that the rate of commission should be the same as in the case of stamped paper.

7 The Board now resume the question of allowing the sale of

Act XXXII of 1860 - the corresponding sections of Act X of 1862 viz 45 and 46 do not present the same difficulties.

other than adhesive stamps on discount. They propose to authorize Collrs to supply licensed vendors at stations other than the Presidency Town and the Chief Station of each district with stamps to the value of not less than 10 Rs at a time at a discount of 4 per cent and at all excepted stations at a discount of 5 per cent provided that discount shall not be allowed on the purchase of any sheet of stamp paper of which the value exceeds Rs 50. ~~The advantages of this arrangement are fully set forth in the Board's proceedings.~~ The rate proposed is the same as that allowed in

in Bengal, but the minimum is considerably below 25 Rs being the limit in Bengal. The Board consider, however, that the lower rate while unobjectionable in itself affords greater inducement to the public.

8. ~~As the Board~~ the Govt fully recognize the ~~strongly urge the trial of~~ advantages of the discount system ~~the system~~ I think they in simplifying the accounts, and ~~may be allowed to do so but~~ they feel confident of its success they as the rate of Commissions would give it the preference. The ~~just the same as the disc~~ Bds arguments however do not convince them of the practicability of ~~being~~ ~~very cheerful~~ the arrangement. The Govt can ~~The Board do not~~ scarcely suppose that merchants would ~~explain why they would~~ prefer buying stamps to receiving them ~~even at lower rate at a loss~~ on security when the rate of remuneration is as the Board propose ~~small~~ sometimes less (and never more)

in the former than in the latter case and in both cases is so very much ~~each District and as there is~~ below the current rate of interest. ~~no difference in the rate of com~~ Govt see great objections to the vend ~~mission they might be as to~~ stamps on discount & on Commissioners ~~to state their reasons~~ same places, & they gather from the Board ~~I do not think that the~~ Govt. that the adoption of the discount ~~system and should be sup~~ system will not vary in regard to stamps ~~plied with stamps on com~~ under 50 & enable Govt to give up salaries ~~mission and on discount~~ commission. If the Bds are prepared to recommend the substitution of the discount for ~~but this would not apply~~ ~~to stamps of higher value~~ the commission system in any dist or dist ~~than Rs 50~~ I do not apprehend that the Govt will take their proposal into con ~~There will be a constant con~~ sideration, but in that case they will ~~sideration, but in that case they wish~~ ~~tion of the two between~~ to have the opinion of the Legal officers ~~own stamps and the whole~~ also laid before them. ~~on behalf of the part of Govt.~~

9. The Bds are requested to submit ~~I propose also to call~~ for a statement showing the sums paid as commissions to each licensed Vendor in ~~Madras during last year~~

~~I would also ask the~~

Board

I have &c

(Signed) W Oglivy Pym Secretary

Chief Secy

Board to reconsider the rate of discount allowed to Licensed vendors on adhesive stamps. I see no reason for giving the vendors a higher rate than the public, and it is inconvenient to have varying rates. I should say the same discount as for stamp paper would be quite sufficient.

The Board will of course make such changes in the Stamp Rules and accounts as may be necessary.

Orders requested.

* You - but the P.O. Comptd. to Vendors to bring the stamps to the Stamp Office for exchange -

Nos. No. 122-123
11-11-61
" 207-208
20-11-61
" 159-161
11-3-62

Ord. 1864 declaring
Govt. for allowd.

No. 364.

Secy. of the Madras Govt.
Dated 11th March 1864.

Copy of the Board of Rev. of 11th
1864 Ct. 1672
From 15th April 64 Ct. 981.

Do. Ord. of Govt. 6 May 64 Ct. 1208
& Seo.

Certain Information
called for from Board of
Revenue regarding the
Discontinuance of the
sale of Stamps by licensed
Vendors.

No. 8 &c.

C. 22 July 64 R 20