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TAMIL NADU ARCHIVES

GOVERNMENT OF TAMIL NADU

REVENUE DEPARTMENT

G.O. No. B.P. No.	1973	Press. Mis.
Dated	12-8-78.	197 .

Not to be folded or roughly handled

1978

Memo for Orders.

On Current No 2846.

Letter from Mess^{rs} Parry and Co dated 3^{d} July 1878 -

Letter from Mess^{rs} Parry & Co to Board of Rev. 29 April 1878.

In April 1878, Mess^{rs} Parry and Co. applied to the Board of Revenue for a modification in the terms of their Abkarry Contract of the South Arcot District.

The request was made on the ground of falling off in sales, in Fasli 1287 / A.D. 1877/78, owing to the Famine, as shown in a Statement submitted by them; and the modification asked for was "that if in the three years in aggregate the minimum amount guaranteed Rs 3,72,000 (three years at Rs 1,24,000) it should be

I w^{d} refuse all concession and merely say "the Gov^{t} decline to interfere"

Yes. I do not think the case one for Gov^{t} interference. Mess^{rs} Parry & Co are old experienced traders & know trade better than most Gov^{t} officers do. They do not urge ultimate absolute loss, but merely diminished be accepted, and not that each year be taken separately." In support of their request, Mess^rs Parry and C^o referred to the cases of the Coimbatore, Salem and Tanjore Contractors who, it was stated, had "over estimated the quantity likely to be sold, and were granted the liberal terms of only paying on actual issues for a half of their contract time."

In their Proceedings on Mess^rs Parry and C^o's letter, the Board remarked that Mess^rs Parry and C^o had paid during the first two years, Faslis 1285/1875-76 and 1286/1876-77, Rs 32,496 in excess of the guaranteed minimum revenue and that

profits of the Arrack Contract have [illegible] suffered less from Famine than Salem or Coimbatore [illegible] also the Contractors [illegible] [illegible]. [illegible] that Mess^rs [illegible] the excess than the guarantee [illegible] excise duty on actual issues attaches to them for the [illegible]

In no way analogous. Parry & Co have long known the Dist^t. Their case was not untried ground.

Pro^s Bd of Rev. June 1878 No 1645.

with large proportionate profits

paid in the first 2 years the Rev: was only really the [illegible] consumption [illegible] increase. Had they stood [illegible] consumption, as they [illegible] they might have done they w^d. simultaneously have enjoyed the [illegible] profits.

I agree generally

[illegible]

[illegible] decision & [illegible]

decline to interfere

11/8

1973

that the deficit in the third year, Fasli 1287, is likely to amount to Rs 41,329. They declined to comply with Mess^rs Parry and C^o's request that the excess may be set against the deficit "as it is a principle which must be maintained that the transactions of each year must be kept separately and they have already refused a similar concession in other districts" although the Board were willing to take into consideration cases of very considerable loss from exceptional seasons, they "were not prepared to grant relief merely because the renters will have to pay a portion of the guaranteed revenue out of their profits, or may even sustain a trifling loss" and they calculated "that Messrs Parry and Co: will be left with a small profit on the whole contract." It was also remarked that the "minimum guaranteed revenue is by no means excessive" and that "the cases of the Salem, Coimbatore and Tanjore renters, to which reference is made, are therefore not analogous"

Messrs Parry and Co. now address Government on the subject, reiterating the request previously made to the Board. They state that Salem, Coimbatore and Tanjore were allowed

allowed

Letter from Messrs Parry & Co 4th July 1878 - Current No 2845

allowed to pay only on actual sales for the whole period of three years, - and this not on account of "famine or any cause beyond human control, but because the renters had miscalculated consumption." Chingleput, they say, "got Rs 20,000 wholly for famine, and it is not pretended that the renters made no profit during the preceding two years."

Of course this is a most inconvenient precedent and regrettable - Mr. Prat Clark has made large profits on two (2) previous leases

The several orders passed by Government in respect to the districts referred to above, are given below:-

Orders in 1876.

Coimbatore - G O 18 Feb: No 244 - "Some relief ... is doubtless due to the memorialists (the

Coimbatore arrack renters) quite apart from the consideration of the increase in the Toddy-shops, upon which they have relied. The new Excise system has been introduced for the first time in Coimbatore, and they have guaranteed to pay a minimum amount, without any opportunity of calculating with fair approximation what that minimum should be. There is no intention on the part of Government to take undue advantage of the miscalculation which has evidently been made. His Excellency in Council resolves to direct that in full satisfaction of all

Salem, 30th June No 882

all complaints, and on the understanding that the Collector shall be at liberty to provide for the legitimate wants of the people as regards Toddy as he sees best, the Memorialists shall be allowed to pay for the first eighteen months of their contract on the issue of Arrack only, the strict terms of the contract being enforced for the remainder of its currency".

"The Govt observe that the case of the Salem Contractors × × × is analogous to that of the Arrack Contractors of Coimbatore, and is therefore, entitled to the same consideration as the latter. The abnormal conditions which immediately preceded the present separation of the Arrack and Toddy farms in Salem, and under which the use of the mild and natural beverage of the country was reduced to the lowest possible limits in the interests of the Arrack farms, tended, doubtless, to a great extent, to convey a wrong idea of the actual profits realisable under a system affording reasonable scope for both. The Arrack contractors are, therefore, justly entitled to relief, and His Grace the Governor in Council Resolves to direct that in full

satisfaction

satisfaction of all complaints, and on the understanding that the Collector shall be at liberty to provide for the legitimate wants of the people as regards Toddy as he sees best, the applicants shall be allowed to pay for the first eighteen months of their contract on the actual issues of Arrack, irrespective of the guarantee, the strict terms of the contract being enforced for the remainder of its currency."

Tanjore 18th July No 963.

4. "The Government would sanction the continuance of the lease to the Tanjore Arrack contractors on the same terms as those recently conceded to the Coimbatore renters, the rates of duty

fixed for Tanjore being adhered to."

Orders in 1877

Salem and Coimbatore 30th May No 1858

"after mature deliberation, His Grace in Council resolves, subject to the condition of the contractors agreeing to the revision of the selling price, to sanction the continuance to the end of the current leases, of the system of duty-payment on issues, irrespective of guarantee, in both Salem and Coimbatore Districts."

"The Board of Revenue will in due course make the desired revision of the selling prices."

A similar concession was afterwards granted to

Tanjore – 20 June No 2059

Tanjore

Tanjore.

G.O. 12 June 1878 No. 1464

The remission of Rs 20,000 for Chingleput adverted to by Messrs Parry and Co. was granted by the Board in March last on the ground of the exceptional circumstances of Fasli 1286. In transferring to the Board a recent petition from Mr Pritchard, respecting his Abkarry arrears, the Government remarked as follows:–

"His Grace the Governor in Council observes that the Board have granted Mr Pritchard a remission of Rs 20,000, but he does not follow the reasoning which led to this sum being fixed upon. Large remissions have been made in other districts, and it appears to His Grace in Council that in consideration of the hard season, and Mr Pritchard's acknowledged good management and fair dealing, the concession sought may properly be granted." The Board's reply on this and other points connected with Mr Pritchard's arrears is now before Government.

[illegible]

Procs B. of Rev. 1st July 1878 No 1819.

No. 8845

Memo

On Mess^rs Parry & Co's letter asking for a modification of the terms of their S. Arcot Abkary contract -

[illegible] 12 Aug 1878 No. 1971

Vide out. 4032/78.

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No. 645

Revenue Department

Proceedings of the Board of Revenue 1973/8

Dated June 1878.

Read letter from Mess^rs Parry & Co of 29 April 1878.

In the foregoing letter Mess^rs Parry & Co furnish a statement of the sales in each taluq for the 1st eight months of the current Fusli, as compared with the average sales for the two preceding years in illustration of the effects of the famine on their receipts and request that in consideration of the fact that this result is not due to any mismanagement on their part and that certain other renters have been liberally treated the excess over the minimum revenue guaranteed which has been paid during the first two years of the contract may be set against any deficient which may have to be made good in the last year.

2. The following figures show the actual for the first two years and the probable results of the current year, so far as can be ascertained at present.

	Issues Glls	Duty Rs.	Excess or deficit as compared with guarantee
Fusli 1285.	71902	136058	+ 12008
1286	77407	144438	+ 20,438
Actuals for 1st 3 quarters of Fusli 1287	32752.	60961	32039 paid up
Estimate for last quarter	11874	21710	
	193935	363167.	9290

The issues for the 3rd quarter of Fusli 1287 amounted according to the Collectors returns to 11074 gallons and the same figure may, the Board think be taken as approximately representing the probable issues for the last quarter. Messrs Parry & Co have therefore during the first two years paid Rs 32496 in excess of the minimum revenue guaranteed by them, whilst the deficit in the 3rd year is likely to amount to Rs 41329.

3. The Board regret that they are unable to comply with the request that the excess may be set against the deficit as it is a principle, which must be maintained that the transactions of each year must be kept separate and they have already refused a similar concession in other districts. Although the Board are willing to take into consideration cases of very considerable loss on the ground of the exceptional seasons, which have in some districts affected the receipts of the Abkari renters so prejudicially during the current lease, they are not prepared to grant relief merely because the renters will have to pay a portion of the guaranteed revenue out of their profits or may even sustain a trifling loss. Now it is certain that Messrs Parry & Co will not lose on the whole term of their contract seeing that they themselves return a profit of Rs 41055 (a sum very nearly equal to the deficit) as the result of the first two years of their lease, notwithstanding that they have in the Board's opinion debited the farm with too high a charge for interest

Renters financial Statement
Fusli 1286 Rs 20986
— 20069
41055

on buildings & plant & for depreciation; the former should come out of profits. The Board calculate that Messrs Parry & Co will be left with a small profit on the whole contract and there is therefore no ground for the grant of remission in their case. The minimum guaranteed revenue is by no means excessive, in fact the renters have themselves offered a considerable advance for the term of the ensuing lease; the cases of the Salem Coimbatore, and Tanjore renters to which reference is made are therefore not analogous.

4. With reference to the concluding paragraph of Messrs Parry & Co's letter the Board observe that the balances of liquor in the distilleries and depôts appear from the returns to have been considerably in excess of requirements. The terms of the Agreement provide for the maintenance of an adequate supply and the fact that this limit was exceeded is indicative of bad management and cannot be accepted as a valid plea for special consideration.

True Extract.

(Signed) C. A. Galtin
Ag Secretary

To
Messrs Parry & Co
Madras

Madras 20th April 1878

Bishopsdown Ooty
9 July 1878.

Dear Sir.

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With reference to our conversation of yesterday on the subject of ~~our~~ my firm recent application as N Arcot Abkari Renters, I have now before me the figures of last fusli composition is that in round numbers we have paid a shortfall of Rs 4800/- while in the two previous years of the lease we paid an excess kist of Rs 3200/- over & above our guarantee:—

The Board object to our application on the ground of our having in the three years made a profit but you will see that they have underestimated our shortfall which is 4800/- and not 4100/- so that even accepting their line of argument on three years working shews a loss

Rec 2845/78

C6-8-78
R12-8-78

Madras 20th April 1878

I would however draw special attention to the fact that the remissions already granted in other districts were not so regulated as only to bring the parties concerned out without loss: on the contrary the terms they obtained have enabled them to work at a very large profit.

Taking these facts into consideration our request is really a most moderate one; we only make it because of the very exceptional year thro' which we have passed.

Yrs very truly

J.W. Fortune

C. Master Esq

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Madras 29th April

1973/14 South Arcot Taluq Sales

Taluq	July		August		Sepbr		October		Novemr		Decbr		January		February		Grand Total	Grand Total	Decrease	Occupation
	Average of 2 years 75/6 & 76/7	Present Fusli 77/78	Average of 2 years 75/6-76/7	Present Fusli 77/8	Average of 2 years 75/6 76/7	Present Fusli 77/8	Average of 2 years 75/6-76/7	Present Fusli 77/8	Average of 2 years 75/6-76/7	Present Fusli 77/8	Average of 2 years 75/6-76/7	Present Fusli 77/8	Average of 2 years 75/6.76/7	Present Fusli 77/8	Average of 2 years 75/6.76/7	Present Fusli 77/8	Average of 2 years 75/76. 76/77	Present Fusli 77/78		
Cuddalore	1288	811	1208	831	1221	910	1706	1079	1236	1386	1221½	[illegible]	1735	1263	1596	1042	11211½	8337	25.1 %	
Chillambarum	1153	871	983	786	919	726	1181½	803	822½	971	824	755	1514½	1221	1185	825	8582½	6958	18.1	
Kullacoorchy	664	406	579	338	445	261	602	298	495½	352	539	280	753½	406	655½	330	4732½	2665	43.8	
Tindivanum	634	288	581½	237	532	223	947½	311	646	501	701	27[illegible]	822	404	615	263	5399	2502	53.6	
Trikalore	600½	226	529	228	573½	236	815	335	580	409	559	265	777½	392	723½	292	5158	2373	53.9	
Trinomalay	1066½	265	529½	243	817½	236	1001	327	898	650	930½	[illegible]	1077	547	766½	367	7426½	3027	59.3	
Villapoorum	616½	283	555½	307	638	284	896½	354	576	472	681½	322	778½	436	736½	305	5873	3763	48.5	
Verdachellum.	484	250	406½	253	511	238	477	301	381½	347	379	232	557½	389	491	343	3689½	2303	37.5.	
Total	6451½	3400	5774	3223	5677	3104	7626½	3808	5626½	5088	5730½	3076	8015½	5002	6663	3767	51,982½	30,968		

Rec 2/28/5/78.

Madras 29th April 1878.

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To
The Secretary,
to the Board of Revenue.

Sir,

We request the honour to enclose a statement showing the sales in each Taluq of the South Arcot District for the first eight months of the last two years, and to desire that the Board will take the case into consideration and grant us a modification in the terms of our Contracts.

The Contractors of Coimbatore Salem and Tanjore got modified terms almost from the commencement of their Contracts as they had unfortunately over estimated the quantity likely to be sold and were granted the liberal terms of only paying on actual sales issued for a half of their Contract time. We ask for no such allowance but merely that if in the 3 years we aggregate the minimum amount guaranteed Rs 522,000 (three years at Rs 174,000) it should be accepted and not that each year be taken separately.

We have failed to meet the Kist not from any miscalculation or want of energy, but from the famine, a visitation from God, which has rendered us powerless.

You will observe that the greatest fallings off are in the Inland Taluqs where the Famine was worst. Take for instance the Taluq of Trinomalay which borders on North Arcot, the falling off is 59.3% followed closely by Trikalore & Tindivanum. Many of the villages are depopulated by deaths and Emigration and in one small village Manaloorpett

C6-8-78
R12-8-78

Tirukalore Taluq we calculate that fully 500 houses
are empty.

Many of our Shop Keepers have not only
ceased to sell Arrack but are recipients of Charity
in the Government Camps.

decreased by death and emigration

C6-8-78
R12-8-78

Madras 3rd July 18

To,
The Chief Secretary to Government
Ootacamund.

Sir,

We have the honor to enclose Copies of Correspondence with the Board of Revenue, relative to some re adjustment of the Abkarry Contract of South Arcot for 1875/8.

The Board, it will be observed refuse our application and in Para 3 states the reason, "As it is a principle which must be maintained "that the transactions of each year must be kept separate" a principle we quite agree in, and if applied to our case would make the claim irresistible. "The "principle" governs necessarily the transactions" of both parties, Government and Ourselves and the fact of a profit having been made in any one year, has according to the Boards own principles nothing to do with the result of the succeeding year, each being a result of itself, Yet later on the Board abandons this principle and uses the transactions of two years as a set off against a third.

Later on the Board states "the Board "are willing to take into Consideration causes "of very Considerable loss on the Grounds of ex-"ceptional Seasons," and we Consider that ours is distinctly a case of "very Considerable loss" due to a very "Exceptional season."

In appealing to the Board we had little hope of success, as they refused to recommend any remissions to Coimbatore, Salem and Tanjore, so for consistency sake must have refused our application however equitable.

The Government have however taken a more liberal view of the position and granted to every one of these Districts, all of which encircle South Arcot, heavy remissions, and quite lately in the Case of Chinglepat, a sum of Rs 20000 solely for Famine losses and delayed Collection of Khist overdue until 31 December.

The reasoning of the Board relative to profits would if carried out, bring all trading in any Country to an abrupt termination, and it is evident from the Government Action in other Districts that they do not think profits an unlawful thing and that the Renters of Districts in which remissions have been given have secured large profits is undenied.

We applied to the Board to inform us what remissions had been granted to other Districts, which they declined to tell, a course which would have been inexplicable if our case had not been treated differently from that of others, but by the Courtesy of two of the Renters we have ascertained the remissions.

In Salem not for one single month of the 3 years has the guarantee been enforced, but for the whole time payment only made on actual sales and the Board allowed Rs 1/8 over the Khist for Renters cost and profit they knowing fully well what a considerable profit was left on such terms and quite at variance with the treatment of our request. This remission was not given for Famine or any cause beyond human Control but because the Renters had miscalculated Consumption.

Like favorable terms were given to Coimbatore and we believe Tanjore.

Chenglepat got Rs 20000 wholly for Famine and it is not pretended that the Renters made no profit during the preceding two years.

We no doubt have made the great mistake of trying to fight against the Famine paying up our losses instead of at once calling out for a remission

The Board too have wholly omitted to see that in the present year the loss to a renter does not consist alone in the shortfall in Khist - Our Jaggery from which the Arrack is made cost us this year Rs 25 to 26 against Rs 18 to 19 or say an advance of 28% . Our Establishments and Sundry Expenses came in the aggregate the same, and much more on the gallon sold making the Arrack much dearer.

Relative to Para 4 the Board may be right, but as Renters of some years standing we did what we believed to be the advantage of the Revenue, and have some practical experience as to time taken in supplying stocks. As we say in our letter to the Board had we merely acted for our own gain irrespective of Government, we could as soon as our minimum was secured have allowed all Stocks to run down and so made sure of saving ourselves Rs 20,000 at least, but we preferred to take a higher view of the probable action of Government.

Taking the tremendous difficulties we have had to contend against and are contending against owing to the Famine, we trust you will see the justice in granting our request - to be allowed to pay the aggregate guarantee for the 3 years, the smallest concession asked by any Renter, but we prefer to fulfil that which we

undertook

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undertook -

Grain is today on South Arcot slightly over 200 % in excess of normal prices and so far no Cumboo has been sown.

We have the honor to be
Sir,
Your most obedient Servants

South Arcot Abkarry Renters

Vide C.M. 4032/78

No. 1970

The Government see no reason for interfering with the Board's decision and decline to interfere.

[illegible]

[illegible] 12 August 1878

C 16-8-78
R 12-8-78

Revenue 1878 Dept

No. 2845.

From Messrs Parry & Co.
South Arcot Abkarry
Renters.

Dated 3rd } July 1878.
Recd. 5th }

E. 3

Submitting copies of correspondence with the Board of Revenue relative to some re-adjustment of the Abkarry Contract of South Arcot for 1875/78.

No. 1970. 12 August 1878

Write an order