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MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

Revenue DEPARTMENT

G.O. No.

726

Press

B.P. No.

Mis.

Dated

1. 6. 1876 ~~196~~*Not to be folded or roughly handled*

No. 3. Read the following Proceedings of the Board of Revenue, dated 18th May 1876, No. 1,299:—

Read the following letter from H. S. THOMAS, Esq., Collector of Tanjore, to C. A. GALTON, Esq., Acting Secretary to the Board of Revenue, dated Vallam, 11th May 1876, No. 1,832.

I HAVE the honor to forward, for the consideration of the Board, the enclosed three petitions of the arrack contractors, the first, seeking either that a remission may be granted, or that duty may be levied only on the amount issued; the second, that they may be relieved of their contract with certain repayments of losses; the third, that they may simply be allowed to resign the contract, themselves bearing all losses up to date.

2. I cannot recommend either of the two first courses, but, as the men are undoubtedly being ruined at the rate of about Rupees 5,500 a-month, I think the contract might be resold at the risk and loss of Government.

3. I think they are being ruined—

(1.) Because they tendered too highly;

(2.) Because they mismanage their business;

(3.) Because they are pitted against a toddy contractor who thoroughly well knows how to extend his business, and is doing so to the detriment, not unfairly, of the arrack sales.

(4.) Because they make unwholesome arrack. I myself saw the copper pots covered with verdigris, and recently warned them that they would be liable to an indictment for poisoning;

(5.) Because they have made an unnecessary outlay on plant.

4. To the drought and cholera as influencing their sales, I attach no particular importance. The other points they urge were equally in existence prior to their tender. The District had a French boundary and drank more toddy than arrack before their contract as well as since, and they should have considered this before making their contract; and, if such want of prudence is to suffice for the cancelment of a contract, it is scarcely worth while making contracts at all.

5. It is also to be remembered that there were two other very fair tenders which might have been secured if the petitioners had not come between with the improvident contract on which they now want remission.

6. Again, if they had won on their contract as the toddy contractor has, they would scarcely have come forward with a proposal to remit us the difference of their unexpected gains.

7. While, therefore, maintaining the principle that within reasonable bounds a contract should be maintained equally at a loss or a profit, still I do not think that it need be pushed to the extent of their utter ruin, and, if we can find a fresh contractor who can manage it better, I think we might relieve petitioners of the remainder of their contract from the date of the entry thereon after resale of the new contractor; and having done this, I would not reimburse them a single rupee of their losses up to the date of their handing over the business. Thus they will have suffered quite enough to warn others against fast and loose contracting with Government; and a new contract will probably bring us nearer what is a fair

*Proceedings of the Madras Government, Revenue Department,
1st June 1876.*

amount, though it is possible it may be less favorable to Government than the other two tenders formerly made, and such a fair amount cannot properly be considered a loss to Government.

ENCLOSURES Nos. 1 to 3.—Petitions.

SUBMITTED for the orders of Government.

2. With the foregoing letter the Collector of Tanjore submits petitions from the arrack renters of the district setting forth the losses which they have sustained under their contract stated to have already amounted to upwards of Rupees 55,000, and praying to be relieved from further liabilities. In their first petition they ask for a remission, or to be allowed to pay duty on the issues only; in the second they state their wish that the contract may be cancelled, provided they are reimbursed to the extent of their losses; and in the third they offer to resign the contract unconditionally.

3. The statement appended to their first petition, which corresponds with the returns submitted to the Board, shows that towards a guaranteed revenue of Rupees 1,35,000 for the first nine months of the year, only Rupees 85,811 have been realized by duty on the issues, and it is evident, therefore, that some relief must be afforded. The Board cannot support the application for a reimbursement of the losses incurred, but they recommend that the resignation of the contract be accepted with effect from the 1st August next, or such later date as it may be found necessary to fix upon, to enable the revenue authorities and new renters to complete their arrangements on the renters entering into a formal agreement to relinquish the farm and make no demands upon Government.

4. The early orders of Government are solicited to enable the Board to issue the requisite notice calling for tenders with a view to the transfer of the farm on the 1st August if possible; it is too late to complete the arrangements before the commencement of the ensuing fashi. The present contractors cannot be relieved of their liabilities until arrangements have been made for the transfer.

5. The Board observe that the statement showing realization of guaranteed abkari revenue for the quarter ending 31st March 1876 shows a balance of Rupees 19,616 against the renters, which it is presumed they have been called upon to liquidate.

(True Extract.)

(Signed) C. A. GALTON,
Acting Secretary.

No. 4. ORDER THEREON, 1st June 1876, No. 726.

Separate Revenue, No. 1.

Abkari.

THE contract may be cancelled in July or August, as may be most convenient.

2. The Board will consider the alleged hardship resulting from one

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distillery only, being allowed to district. The Government will be glad to receive their opinion with reports from the Collectors of the districts concerned.

(True Extract.)

(Signed) D. F. CARMICHAEL,
Secretary to Government.

To the Board of Revenue.

Exd. A. Grubert.

Tanjore Collectors office
Tallam - 11th May 1876.

No 1832

From W. S. Thomas Esquire
Collector of Tanjore
To C. A. Galton Esquire
Secretary to the Board of Revenue
Madras

Sir,
I have the honour to forward for the consideration of the Board the enclosed three Petitions of the Brack Contractors, the first seeking either that remission may be granted or that duty may be levied only on the amount issued, the second that they may be relieved of their contract with certain repayments of losses, the third that they may simply be allowed to resign the Contract, themselves bearing all losses up to date.

2. I cannot recommend either of the two first courses, but as the men are undoubtedly being ruined at the rate of about
Rs 5500

Govt. of Madras

REVENUE.

THE BOARD OF REVENUE

Dated June, 1st

Recd.

Encl.

G.O. 1st June 1876, No. 726

JUNE
Nos 3-4.

Arrack Contract of the Tanjore District. - Part
initiating the same to be cancelled in July or August,
and requesting the Board to consider the alleged
hardship resulting from one distiller only being
allowed to a district, and submit their opinion with
reports from the Collectors of the districts
concerned.



Rs 5500 a month, I think the Contract might be resold at the risk and loss of Government.

3. I think they are being ruined:-

I. Because they tendered too highly.

II. Because they mismanage their business.

III. Because they are pitted against a Goddy Contractor who thoroughly well knows how to extend his business and is doing so to the detriment, and unfairly of the arrack sales.

IV. Because they make unwholesome arrack. I myself saw the copper pots covered with verdigris and recently warned them that they would be liable to an indictment for poisoning.

V. Because they have made an unnecessary outlay on plant.

4. To the drought and cholera as influencing their sales, I attach no particular importance.

The other points they urge were equally in

in existence prior to their tender. The district had a French boundary and drank more Goddy than arrack before their contract as well as since and they should have considered this before making their contract and if such want of prudence is to suffice for the cancellation of a contract, it is scarcely worthwhile making contracts at all.

5. It is also to be remembered that there were two other very fair tenders which might have been secured if the Petitioners had not come between with the improvident contract on which they now want remission.

6. Again if they had won on their contract, as the Goddy Contractor has, they would scarcely have come forward with a proposal to remit us the difference of their unexpected gains.

While

7. While therefore maintaining the principle that within reasonable bounds a contract should be maintained equally at a loss or a profit, still I do not think that it need be pushed to the extent of their utter ruin, and if we can find a fresh contractor who can manage it better, I think we might relieve petitioners of the remainder of their contract from the date of the entry thereon after resale of the new contractor, and having done this, I could not reimburse them a single Rupee of their losses up to the date of their handing over the business. Thus they will have suffered quite enough to warn others against fast and loose contracting with Government, and a new contract will probably bring us nearer what is a fair amount, though it is possible it may be less favorable to Government than

than the other two tenders formerly made and such a fair amount cannot properly be considered a loss to Government.

I have &c
Signed H. S. Thomas
Collector

True Copy

W. C. M.
Ag Secretary

B. H.

Account

Revenue Dept

Proceedings of the Board of Revenue
 dated 18th May 1876.
 No. 1299 :-
 Read letter from the
 Collector of Tanjore dated 11th May
 1876 & V^o 1832 enclosing 3 peti-
 tions from the Extraordinary Con-
 tractors and recommending
 that their Contract might be
 sold at the risk and loss
 of Government for the reasons
 stated.

Submitted for the orders
 of Government.
 2. With the foregoing letter
 the Collector of Tanjore sub-
 mits petitions from the Extraordinary
 renters of the District asking
 for the loss which they have
 sustained under their Contract
 stated to have already amounted

Enclosure in forwarding of
 the Board of Revenue to the
 Secretary to Government
 Revenue Department
 dated 18 May 1876.

Copy of letter from the
 Collector of Tanjore
 11 May 1876, V^o 1832.
 No 4
 2039/76

to upwards of Rupees 50000
and praying to be relieved from
further liabilities. In their
first petition they ask for a
remission or to be allowed
to pay duty on the issues only,
in the second they state their
wish that the Contract may
be cancelled provided they
are reimbursed to the extent
of their losses, and in the
third they offer to resign
the Contract unconditionally.

2. The statement appended
to their first petition
which corresponds with the
returns submitted to the Board
shows that towards a guaranteed
revenue of Rupees 1,35,000 for the
first

first nine months of the year only
Rupees 85,811 have been realized
by duty on the issues and it is
evident therefore that some
relief must be afforded. The
Board cannot support the appli-
cation for a reimbursement
of the losses incurred, but
they recommend that the res-
ignation of the Contract be
accepted with effect from
the 1st August next or such
later date as it may be found
necessary to fix upon to en-
able the revenue authorities
and new renters to complete
their arrangements, on the
renters entering into a formal
agreement to relinquish the
farm and make no demand

upon Government.

3. The early orders of Government are solicited to enable the Board to issue the requisite notice calling for tenders with a view to the transfer of the Tax on the 1st August if possible; it is too late to complete the arrangements before the commencement of the burning Fuel. The present Contractors cannot be relieved of their liabilities until arrangements have been made for the transfer.

4. The Board observe that the statement showing realization of guaranteed

Shkari

Shkari Revenue for the quarter ending 31st March 1876 shows a balance of Rupees 19,616 in against the rentals, which it is presumed they have been called upon to liquidate.

True Extract

W. C. C. C.
Ag. Secretary

To The Secretary to Government P. D. with 3 Petitions also returned, and copy of Collector's letter.

W. C. C. C.

No. 2039.

Per: H. of Rev.

Dated 18 May 1876

FOR ORDERS.

This is precisely the same case as a Cumbaton. It was scarcely possible for the tenderers to estimate the demand for Arrack in the year of free trade in any of these newly-acquired Districts and a bad shot has been made. We are getting more than our due on Arrack still the poor farmer is making a fortune. On same spirit

2039
Revenue
Receipts of the
Board of Revenue

Rs. 725-18-10

2039
10th May 1876

Rs. 18-10-10
10th May 1876

Subscribing for orders
to the from the Collector
of Madras, and Co.
being 3/4 of the sum
for the Arrack in
the year and sum.
= meaning that the
Collector's receipt
be sent at the
risk and loss of
the Board of Revenue
checked.

March 1876

FOR ORDERS.

In Sept 1876, Order of Passengers

14. 1876, 15. 1876

No. 726

from orders

The contract may be cancelled, in July or August, as may be most convenient.

2. The 18th, with committee be alleged hostility resulting from one disallowing only being allowed to a district. The fort will be glad to receive their opinion with reports from the collector of the districts concerned.

1 June 1876 1/6 1/6

22

I would treat this case in the same way as in the foundation - arrange contractors - and allow the contract to be cancelled in July or August as may be most convenient. We had better hear what the Board have to say to the proposal to have more than one district before altering the system. M

29/5.

C-24: May 16 R 1st June

applies - except that it appears
that the farm has been badly
managed that way not the case
the other side - I think it is reasonable.

I have cancelled for the sea
1st of July or 1st of Aug as the 1st of
Dec. & all find most
convenient - Some loss
is unavoidable but it
will more than recompense itself
the the lease are renewed
- 1878.

I am satisfied that
any unreasonable re-
striction as to the
number of distilleries

the established is a serious mistake. It is
impossible to distill & issue
8000 & 10000 sq. miles of
an 'factory' satisfactorily &
the farms necessary for
which become a large
area of the dist. cannot
be profitably worked -

I would let a district be
Cantonment distal is 2 or
3 places.

not put up

The R. might be
directed to modify their
instructions in the re-
spect - 28/5 M