

(1) Number of Pages 20
(2) Date of repair 24. 3. 1969
(3) Initials of the Referencer S.S.B.

MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

Revenue DEPARTMENT

G.O. No.
B.P. No.

881

Press
Mis.

Dated 30 - 6 - 1876 196 .

Not to be folded or roughly handled

No. 324. Read the following petition from Mr. C. J. BARTER, Merchant, residing at Tuticorin, to the Most Noble the DUKE of BUCKINGHAM AND CHANDOS, Governor and President in Council of Madras, dated 29th April 1876:—

ABSTRACT.—States that, under the agreement between him and the Secretary of State for India, he is entitled to 5 per cent. discount on every entire heap of salt purchased; that on the five heaps of salt delivered to him he has received $3\frac{1}{2}$ per cent. short in weight as compared with the quantity (50 garces); that on his looking through the records in the Deputy Collector's Office he found a general deficiency of 5 per cent.; that in order to avail himself of the credit system, he is obliged to invest in 4 per cent. paper, while money is worth from 12 to 14 per cent.

2. Prays that Government may reverse the order of the Board of Revenue and adopt the Acting Collector's recommendation.

No. 325. ORDER THEREON, 30th June 1876, No. 881.

Separate Revenue, No. 37.

Salt.

HIS GRACE the Governor in Council is of opinion that the intention of Rule 14 was clearly that the 5 per cent. "discount" should cover wastage; but, at

the same time, he considers that the rule should be amended, so as to make it quite clear to every purchaser that the 5 per cent. allowed is to cover wastage if he takes the heap as it stands, but that he may elect to have the heap weighed at his own expense; in which case the deficiency, if any, will be made good, or a discount allowed in proportion to the deficiency, at the option of the buyer; who will further be liable for the value of any excess.

2. Mr. Barter will be informed that the Government cannot admit his claim, as he must have been quite familiar with the usage, that the allowance was for wastage and not a reduction in wholesale transactions.

3. The Board will submit the draft of the amended rule for the approval of Government.

(True Extract.)

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

To the Board of Revenue.

Paragraph 2 to Mr. C. J. Barter.

Ed. F. R. Bantleman.

Document N° 1

Extract from letter N° 869

From, The A^d Collector
Sincerely

To, The A^d Secretary to the Board of Revenue
Madras

I think the allowance of 5 per cent
already made, if supplemented as proposed
in my letter N° 2135 dated 29th February
1876 by the average wastage of a heap will
be sufficient concession in favor of wholesale
dealers and that more than this would be
impolitic

Yours Esch
C. V. Davis

Bolet. of 11876: 20th adms.

REVENUE.

THE BOARD OF REVENUE.

Printed June, 30th.

Printed.

Printed.

G.O. 3062, 7th March, No. 85.

JUNE.

Nos. 324-325.

Discount on Salt. — Informing Mr. Master, of
Tiruchir, that his claim to — purchased by him
cannot be admitted.

Ver 2954/76

Agreement made the 28th day of

One thousand eight hundred and
seventy six Between The Right Honorable
the Secretary of State for India in Council of
the one part and C. J. Barter of the other part.

The said C. J. Barter having blank endorsed
and deposited with the Collector of Tinnevely
for the time being, the Securities hereinafter
mentioned, that is to say Govt Promissory
Note for Rs

for securing the payment by him the said C. J.
Barter his Executors Administrators, or per-
sonal Representatives, to the said Secretary
of State, his Successors or Assigns of all money
which shall at any time or times become due
owing from the said C. J. Barter his
Executors, Administrators, or personal
Representatives, to the Government of
Madras for salt purchased from the said Govern-
ment under the Rules regulating the sale of such
salt (a copy whereof is hereunto annexed) or which
shall at any time or times be at the debit of the
said C. J. Barter in his Account Current with the
said Government in respect of such purchases
of Salt, It is hereby agreed between the said parties
hereto that the said Securities so deposited as aforesaid
shall be subject and liable to all the provisions of
the said Rules and to such sale and appropriation
of proceeds as therein provided That the interest
which shall accrue due on the said Securities
whilst they remain in deposit with the Collector
of Tinnevely for the time being shall be drawn

by such Collector and credited in such Account
Current as aforesaid And that each of the
said parties hereto shall and will adhere to
the said Rules and shall and will ~~be bound~~
thereby and by every stipulation and provision
therein contained - In Witness whereof the
said Collector A. Stuart for and on behalf of
the said Secretary of State and the said C. L.
Barter have hereunto set their respective
hands the day and year first above written

Signed by the said
A. Stuart in the
presence of

Signed by the said
C. L. Barter in the
presence of

881
4

B

Rules for the purchase of Salt wholesale on deposit
of Securities

1. Parties desirous of purchasing salt from Government on credit must sign an Agreement in the form appended to these Rules, and must also blank endorse and deposit with the collector of the District Government Promissory Note Treasury Loan acknowledgments or Treasury Bills as security for the due performance of such Agreement.
2. The depositor will be entitled to receive salt to the amount of the credit given to him as shown in the Collector's receipt of his deposit. The credit will be fixed according to the probable marketable value of the securities, a deduction at the discretion of the Collector being made therefrom, to meet the contingency of depreciation in the value of the securities during the currency of the Credit.
3. No account will be opened for a less than 5000 Rupees nor shall the credit in any case extend beyond six months. At its close the depositor must adjust his account and it will then be open to him to apply for a new credit.
4. Nothing in these Rules shall be held to preclude a party who has received a credit as above provided, from purchasing salt during the term of the credit for cash in the usual manner. Such transactions are, however, to be considered as altogether distinct from the "credit".
5. The securities will be lodged in the Collector's Treasury. The interest accruing on them during the term of the credit will be drawn by the Collector and passed to the credit of the depositor's account current kept by the Collector as hereinafter provided.
6. The Collector will grant a receipt for the securities deposited with him, and this receipt must be produced and given up when the depositor redempts his securities and closes his account. The amount of credit given will be shown in the receipt.

7. An account current between the depositor and Government will be kept by the Collector at the Muzgoor Cutcherry, and will be open to the inspection of the depositor or his duly authorized Agent on work days during Office hours. A copy thereof will be furnished, if desired once in each month.
8. It will be optional with a depositor to close his account at any time previous the expiry of the term of credit, by paying the amount shown to be due by him, and thereupon to receive back his securities.
9. The depositor must apply in writing to the Collector for Salt, stating the quantity he requires and the Depot at which he wishes to receive it. The Collector if he agrees to comply with the requisition, will thereupon furnish him with a written order on the Superintendent of Salt to the depositor's debit in the account current.
10. The depositor or his duly authorized Agent must pass his receipt for the quantities of salt purchased at the Depot, and, on the order being fully complied with, shall sign and hand the order to the Superintendent or other proper Officer at the Depot for transmission to the Collector.
11. At the expiration of the term of credit, the depositor must pay the balance then due from him for all the salt supplied to him on credit. Should he fail to do so, he must pay Interest on such balance from the expiration of the term of credit, at the rate of 12 per cent per Annum, and the Collector may proceed to realize the amount due for principal and interest by the sale of the depositor's securities. Any surplus accruing on such sale will be paid to the depositor, who must on his part make good and forthwith pay any loss which may be sustained by his securities not realizing

- the sum due by him for principal and interest.
12. Payments are to be made at the Collector's Muzgoor Cutcherry, and may be in Cash, Accountant General's Bills or Paper Currency. Payments may also be made into the Bank of Madras at Madras, the Bank Secretary's receipt being forwarded to the Collector, Collectors may at their discretion permit payments to be made into the Talook Treasuries of this District.
13. Depositors are requested to remove the salt purchased by them within one week from the date of delivery, and it will be held to be at their risk from the date of purchase.
14. Depositors purchasing an entire heap of salt as it stands will receive the usual discount of 5 per cent.
15. Depositors must conform to the established Rules at each Depot.

To the Chief Secretary
to the Governor in Council
Fort St. George

88/1 1078
June 5
6/5/76

Sir,

I hand you a petition and have the honor
to request that you will place it before the
Governor in Council as soon as convenient.

I may mention that I take the open
course of placing my complaint on record. Such
views as held by the Board of Revenue are not
petitioned against by native wholesale dealers
in salt. They prefer to submit to injustice,
and then by exposing the injustice of the orders
of Gov^t to the native officials of local depart-
ments, they excite sympathy. And it is im-
possible to calculate how much of the bribery
& corruption that exist in India owes its origin
to such interpretations as that of the Board
of Revenue against which I now appeal.

I have the honor to be

Sir

Your Obedt. Servant

C. J. Davis

Judicium
April 29th
1876

N. 2627.

Rev: 1876: 2nd 4th.

From

Mr. C. J. Baxter
Interior.

Dated 29: April 3 1876.

Rev: 29: June

2. 5. 76.

Rev: D. L. B. V.
C. J. Baxter
29: June 1876

Submitting a Petition
in regard to disbursements on Public
purchased by him &c.

GO 30 June 76 No 887

reverse the order of the
Board of Revenue and
adopt the acting collector's
recommendation.

881/8

entitled to 5 percent
 discount on every entire
 heap of salt purchased;
 that on the 5 heaps of
 salt delivered to him
 he has received 3 1/2 percent
 short in weight as
 compared with the
 quantity (50 garces);
 that on his looking
 through the records in the
 Dy. Collector's office he
 found a general deficiency
 of 5 percent; that in
 order to avail himself
 of the credit system, he is
 obliged to invest in
 6 percent paper while
 money is worth from 12 to 14 percent
 says that Govt may

1/2 Maryon
 Government of Madras.
 Rev DEPARTMENT.
 Petition No. 1078 of 1876.
 From Mr. C. J. Barter
 residing at
 Occupation
 Talook
 District
 Dated 29th April 1876
 Received 6th May 1876
 Enclosures 5

ABSTRACT.
 States that under
 the agreement between
 him and the Secretary
 of State for India, he is

N^o. 1078 of 1876 D^y 29th April 1876.
 Recd 6th May
 From Mr. C. J. Barter
 residing at Tuticorin.

States that under
 the agreement between
 him and the Secretary
 of State for India, he is
 entitled to 5 per cent
 discount on every entire
 heap of salt purchased;
 that on the 5 heaps of
 salt delivered to him
 he has received 3 1/2 per
 cent short in weight as
 compared with the
 quantity (50 garces); that
 on his looking through
 the records in the D. G.

Collector's

*The rule of salt under clear -
 and all contracts - specific
 that we find no claim will
 be allowed. in*

*We reject the claim -
 The literal inter-
 pretation of the Rule is
 as the Pet. says I think
 that the intention
 and usage are known to
 all - the 5% is allowed to
 Cree wooten - does it -
 Not 16/8*

*Rule 14. "Disposition purchasing
 an entire heap of Salt
 as it stands will receive
 the usual discount of 5%"*

*The words underlined
 seem to imply that the
 purchaser buys at his
 own risk*

*881
 9
 Despatch - as above
 informed.
 D. M. 27/6/76*

90
100
110
120
130
140
150
160
170
180
190
200
210
220
230
240
250
260
270
280
290
300
310
320
330
340
350
360
370
380
390
400
410
420
430
440
450
460
470
480
490
500
510
520
530
540
550
560
570
580
590
600
610
620
630
640
650
660
670
680
690
700
710
720
730
740
750
760
770
780
790
800
810
820
830
840
850
860
870
880
890
900
910
920
930
940
950
960
970
980
990
1000

Collectors office he
found a general defi-
ciency of 5 per cent; that
in order to avail himself
of the credit system, he
is obliged to invest in
1/4 per cent paper while
money is worth from 12
to 14 per cent.

Prays that Govt.
may reverse the order of the
Board of Revenue and
adopt the Acting Collector's
recommendations.

(not to be considered)

Who will further be lentle
for the value of any excess.

No. 881
Order.

His Grace the Governor in
Council is of opinion that the
intention of Rule 14 was
clearly that the 5% dis-
count should cover wastage,
but at the same time he
considers that the wording
of the Rule is open to the
interpretation that in ac-
cordance with Commercial
usage an allowance of 5%
will be made to the pur-
chaser of a large quantity.
Under these circumstances
he considers that the Rule
should be amended, so as
to make it quite clear to the
purchaser, that the 5% ^{allowed}
~~discount~~ is to cover wastage,
if he takes the heap as it
stands, but that he may
elect to have the heap
weighed, in which case
the deficiency, if any, will
be made good, or a dis-
count allowed in propor-
tion to the deficiency, at
the option of the buyer.
Mr. Barker ~~will~~ will
be informed that the
Government cannot admit
his claim, as he must have
been quite familiar with

the usage, that the allow-
ance was for wastage and
not a reduction in whole,
sale transactions.

3. The Board will
submit the draft of the
amended Rule for the
approval of Government.

14. To the Board of Revenue 13 July
Ind. off Para 2 to Mr. Barker 20 June

30 June 1876

I have no doubt that the intention of the Rule was that 5 per cent should be given to the purchaser of a heap as it stands - from loss by wastage. But I am not so sure how a Court of law would interpret it. Mr. Barton must have been quite familiar with the usage. I would wish his claim & direct the Bd. of Revenue to make the rule clear.

Wll

19/6

Petition (Barton)
The rule seems to me very clear - in accordance with commercial usage - to give an allowance ^{the price in the} on sales of a large quantity -

the rule provides for a discount on the price of a heap as it stands - but this does not entitle you to give short weight.

The purchaser is entitled to the stated weight unless some other rule exists - I should advise the ~~matter in this case~~ to suggest a rule that the heaps ~~will be measured~~ ^{are to be} 10 fuses each at time of sale & may be measured or weighed ~~then~~ ^{checked} but if not then measured or weighed - will be assumed to be right measure & no allowance for wastage will be made.

20/6