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Collector's Report
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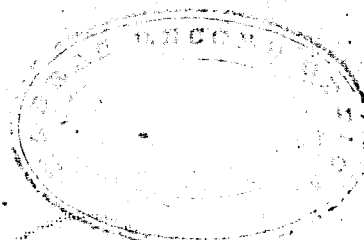
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To -

The President & Members of the
Board of Revenue.

GENTLEMEN,

PARA 1. I have now the honor to report to the Board the successful conclusion of a village settlement for 3 years in this province.

2. In the several addresses which have been forwarded from time to time since my appointment as Collector on the concerns of this province, the mode of management which had hitherto obtained has been fully explained. From them it has appeared that little or no alteration has taken place from the system pursued during the Nabob's administration and that an annual fluctuating revenue has till now continued from year to year to be ascertained and received.

3. Two principal crops of paddy are raised in this part of the country. The first or Car is sown as soon as the rains of the south west monsoon will permit it, and reaped principally in October and November. The second or Pishanum is sown as the ground on which the Car has been grown can be prepared for its reception and is nourished by the rains of the north east monsoon and cut in January, February and March. At the commencement of the Fasli hitherto there were no engagements for the rent of the year existing between the Circar and the ryots, those for the preceding year having expired with it, and as the probable extent of cultivation and produce on which till now each years settlement has been calculated were at that stage uncertain, these for the current year were not thought of till long after.

4. The produce of the Car or first crop was divided on the spot at the time of thrashing by the Government and the cultivator, and the Government share was stored in granaries in the different villages under charge of officers hired for the purpose by whom it was afterwards disposed of by retail to all who offered themselves as purchasers.

5. Previously to the cutting of the Pishanum* crop the extent of cultivation was ascertained and as it ripened its probable produce was estimated by persons employed for the purpose, it was then reaped, beat out and measured, and the whole for the present left in deposit upon the spot, until the price and terms of rent could be settled with the inhabitants at the Cutcheries.

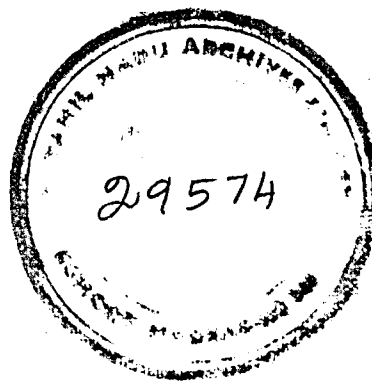
6. When the probable result of the whole produce of the country was ascertained a price regulated by existing circumstances with reference to that extent, was fixed upon the Circar share of the grain and three fifths of the produce of the Pishanum crop delivered over to the people at that rate, and the other two fifths retained by the Government itself, and if at this time any portion of the Car grain remained on hand it was also in addition given over to the inhabitants at the same rate of valuation. The extent of lands cultivated with dry grains which paid a fixed money rent had in the meantime been obtained from actual inspection which with the rent upon back yards and the other inferior branches of Taxation being added, the amount rent of each village was known and the grain to the extent charged upon the inhabitants was made over to them.

7. As the season was necessarily far advanced before those operations could commence and as the labor of ascertaining them was evidently considerable, the people did not consequently in general know the rent of their respective villages till the revenue year had nearly expired. By this time the period of payment of several of the instalments in their nominal Kistbundy had elapsed & as soon as their engagements at the Cutcheri were concluded pressing demands for the Kists in arrear immediately began to be made upon them. This with the prospect of yearly further payment compelled the people to sell their grain for what it could fetch to the first person who offered as a purchaser, and this as the owners of three fifths of the produce of the whole country were under a necessity of disposing of that produce nearly at the same time & could not await to benefit themselves by any favourable change in the state of the Markets; they were often from the necessity of getting ready money obliged to part with it at a price under what they had a few days before contracted for with the Government at the Cutcheri on such occasions there never was a want of grain contractors and others who possessed the command of ready money to take advantage of the people's necessity and to purchase up their grain with the prospect of selling it to advantage at a future period, and yet notwithstanding all the efforts of the people it was in general impossible for them to be able to fulfil their engagements within the Fasli which consequently caused a balance to be outstanding at that time against them.

8. It may be proper to remark here that very little grain is exported from this province, almost all that it produces being consumed in it; the Circar, therefore, with the certainty that the portion of grain in its possession would be required, kept it up until that which had formerly been made over to the inhabitants was consumed, and by this means a monopoly of the

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whole grain in the country was thrown into their hands, and the stores being opened the remaining grain was disposed of at an enhanced rate by retail. The consequence of this system was that regularly every year the markets were at one time overstocked with grain and at a more advanced period of the season there was a comparative scarcity of grain the price of which was raised to a high rate.

9. In addition to this portion of the produce so received by the Government as its rents, there was an additional payment made by the people which I believe to have been peculiar to this District. The Board will perceive that I allude to the Yawanah which has before been explained to have originated little more than half a century ago while this country was managed on behalf of Chanda Saib by one of his brothers.

His head revenue officer previously to giving permission to the inhabitants to cut their crops exacted a payment for himself either in money or grain for each seed cottah of land sown. During the wars that were occasioned by and arising out of the rivalry of the two competitors for the Musnud of the Carnatic and for a long time after the death of Chanda Sahib this province was a scene of anarchy and confusion and liable to a change of authority every day. In such times it is easy to believe that much attention was not paid either to justice or the right of the people and that the possessor for the time being uncertain of the duration of his authority, made it a rule to extort as much as he could from it, and it being found that a payment of this nature had been made, it continued to be exacted. By the time that the Nabob's authority was firmly established here, his circumstances were much involved and he had already commenced the ruinous practice of borrowing as much money as he could from all quarters by mortgage of his country. This District therefore has generally been mortgaged to some person or other in security for money advanced to the Nabob and it may be supposed that rapacity formed the prominent feature of their short lived interest in the country, the people could expect nothing from any favourable consideration of a mortgage to their circumstances and thus Yawanah payment became sanctioned by usage and latterly made a part of the Revenue to Government. This tax however bearing unequally upon the people operated as a great hardship of which they had constantly complained since the assumption of the country by the British Government, and the Board of Revenue upon a due representation were so sensible of it that they recommended its abolition to Government which was effected last year to the great comfort and satisfaction of the people but at the relinquishment of a considerable sum on the part of Government.

10. It is evident from the foregoing detail that the Revenue of this Province has hitherto been raised to its highest possible standard and that this has been effected by resorting to every possible means to ensure that end, even including monopoly. It could not therefore be expected that any other system not embracing similar measures could produce a revenue equal in extent, and that the introduction of any future mode of management involving a relinquishment of these ways of raising money must be made at the expense of a portion of the gross collections from the District.

11. The practice of estimating and accurately ascertaining the extent of produce every year and charging the people with such quantity of grain only as was actually made over to them certainly bears an appearance of fairness with it, and also a seeming security to them against any loss further than that which they might suffer from the difference of price at which they contracted for and that at which they were generally under the necessity of selling their grain to enable them to fulfil their engagements with the circar, and as the people had never known any other system they were not only partial to it from long habit, but also from the recommendation the apparent security from loss which it ensured them gave it. The introduction therefore of a change which in addition to their dislike of all innovations upon established custom and in their opinion tending also to increase their responsibility, and which did not appear to ensure them so great security against loss will easily be believed to have been a task of some difficulty and requiring considerable address to effect it.

12. On the other hand the old system with all its apparent fairness was bad. If the people's losses were small their profits were equally trifling and it carried with it a great discouragement to industry from the demands upon them keeping an uniform pace with their labor. There was no limit at which their payments were to cease and consequently no inducement was held out to exertions of industry because they were always clogged with a proportionate diminution of a part as the right of Government, & to the hard working man there was this great discouragement on comparing his situation with that of his more indolent neighbour that the demands upon him rose in proportion to his excess of labour. Independent of these discouraging circumstances the severe and periodical scrutiny that used to be made into the people means tended to impress them with an idea of insecurity in property, in contradiction to the opinion of stability in it which it is the intention of Government by the introduction of the Regulations to infuse into them and it also held out great inducement to attempts at imposition by concealing their produce by every means they could devise.

13. When the securing the rights of Government involved so much detail, the charge attending their realization were proportionately heavy to which the Government was not only liable but to additional charge also as with a view to prevent the revenue falling off by a decrease of the extent of Cultivation and to increase the interest of the Inhabitant in it they were obliged every year to advance a large sum nominally to enable the people to purchase seed and to replenish their stock and also to repair at its own expense the different Watercourses and

channels which conveyed the water from the River to the fields, besides entertaining a very large amani establishment, involving a very heavy charge for the purpose of ascertaining, watching over and realizing the Government revenue, and notwithstanding every care that could be used it was liable not only to abuse but to great waste and loss from the perishable nature of grain and from the rascality of the variety of subordinate agents to whom the charge of it was entrusted who had not that interest in its preservation which would have been felt by the people in the care of their own property.

14. The disadvantages attending this mode of management, and above all the unsettled state altogether of the Revenue and uncertainty under which the Government constantly were as to its probable yearly amount and from the confusion which had been introduced into the system by the Revenue of one year having become so blended with that of another by the grain produced in the one Fasi being sold in the other, so as to preclude all possibility of any regularity or stability being immediately introduced into it determined the adoption of the system of village rents which would tend to correct these evils and by fixing the amount of rent to be paid by the people would hold out inducements to industry by the knowledge that whatever might be produced by superior exertions of labor on their part would after satisfying the demand of Government for their rent remain their own property. The advantages which it would also secure to Government were a more certain revenue which they might more probably depend upon and a very considerable saving in the charges of collection besides conferring a great benefit upon the country at large by throwing open the grain Market and causing so great a competition in it and by the creation in it of so many separate interests as would in all probability render monopoly impossible.

15. This system being resolved upon, the basis on which the Settlement was to be formed next comes to be considered. The Revenue has hitherto fluctuated so much, and that of one year was so blended with another, that no one particular year could be assumed as a guide on which to form the new Settlement, as, had it been so fixed, there was a chance of the whole lease failing from the circumstance of the seasons comprised in it differing from that one year which was selected as the basis for the rent. This province had at the time been seven years under the Company's Government during which time from the mode of management pursued and the uncertainty of the time when the Grain would be sold which never was nearly effected within the year in which it was raised, had thrown the collections of one year so much into that of another that it became more an average revenue than the actual revenue of each year which was received. It was therefore supposed that if the average of these collections deducting the Yawanah (which as above explained the Government had consented to relinquish) was taken as the general ground of lease that it would be less liable to failure from the change of season as each year's collections were made up of two years revenue and the Government with all the advantages expected to be conferred upon the country would still receive the same revenue as they had hitherto done.

16. The average gross collections of the six years preceding the last was therefore in the first instance ascertained, from which the amount of Yawanah was afterwards to be deducted and this calculation was taken as the General basis upon which the rent was to be formed. In renting the different Taluqs, of course local circumstances rendered it expedient to deviate in certain instances from the general rule, but they are too minute to be noticed to the Board and, upon the whole, it came out very nearly to the amount expected. The Settlement of last year was not included in this average, because in it the collections of the Yawanah had been discontinued and as the amount of it was again to be deducted it would have operated to the prejudice of the general average and the former years seemed to be sufficiently numerous to answer all the purposes required.

17. The statement No. 1 showing what the average collections of each Taluq has been for the six years in question, the grand total of which from the whole Province amounts to Star Pagodas 4,80,776—54—75; during these years it appears that the average amount of Yawanah in grain and money was Star Pagodas 37,503—8—26 which as has been already said the Government had relinquished it being deducted would have left the average gross land revenue for the three years of the Settlement Star Pagodas 4,43,273. To this, however, if the increase shewn in the Taluq of Srivillipatur principally occasioned by an increased cultivation amounting to Star Pagodas 5,841 be added, the amount will stand at 4,49,114. The lease however was settled at Star Pagodas 4,48,672 which is only Pagodas 442 below the average, which in the arrangement and settlement of a detailed Revenue to such an extent from more than three-thousand villages, subdivided into innumerable subordinate interests is a difference so trifling as not to be worthy of occupying the Board's time in explaining the minutiae of it. The statement above alluded to will show the ultimate result of the present settlement to be a decrease of Star Pagodas 32,104,, 19,, 45 below the average collections of former years in which the Yawanah was included.

18. Having now explained the basis upon which this settlement has been formed which appeared the only true grounds on which it could under the circumstances of the district and as a first trial be concluded with a fair prospect of success, I trust I may be permitted here to point out the probable result of it and its expected benefits to the Government & to the country.

19. By the discontinuance of the Amami Sibbandi and the other reductions which have been made since the commencement of my management I expect that the charge of collec-

tion during the lease will be more than Eleven-thousand Pagodas annually below the charges for the three years of Mr. Cochrane's management. In Mr. Lushington's time the charges exceeded those of Mr. Cochrane, but the circumstances of the times requiring it does not form a fair ground of comparison.

20. During the Amani which has hitherto obtained here it was usual as before mentioned to make annual advances for the purposes of cultivation, but these advances had from a long continuance been converted into a virtual decrease of revenue, as, instead of being made to those who actually stood in need of them, a remission was written off of so much per cent according to the amount of revenue upon each village. As this was evidently not the intention with which advances were made, it was recommended two years ago to be discontinued which has accordingly been done. It is true that this money was repaid in the end, but it was always last collected and an annual sum was entered in the charges for the current year for this purpose which certainly may be considered to have acted as a charge upon the revenue inasmuch as it was a certain portion of its resources, sanction being generally applied for Fifteen thousand Pagodas, which the Government could not avail itself of in its general financial arrangements. This sum being now at its disposal may very fairly I think be taken into the account in the view which is now taking of the subject, and it amounted annually on an average during the three years preceding my management to Star Pagodas 11,798,, 6,, 46.

21. It has been before mentioned that Government had been at the charge annually of repairing and cleaning out the watercourses at its own expense for which also a sanction was usually applied for to the extent of eight thousand Pagodas. As it is I believe the general practice elsewhere that this charge is defrayed by a Merah or a certain portion of the gross produce which is set aside for this purpose, and as the Government was making a great sacrifice to the people by the abolition of the Yawanah it appeared an available occasion to introduce the general practice into this Province also, and a Merah of the description above alluded to, appropriated solely to that purpose, was instituted as a commutation for the remission of the Yawanah. The average amount for which sanction was annually applied on this account in the three years preceding my management was Star Pagodas 8000 and the average disbursement appears to have been Star Pagodas 6,131—29—41 which was paid directly from the Treasury of Government and will in future be saved to it, while at the same time a permanent fund has been created which will fully answer all the purposes intended by the payment hitherto made the burden of which Government alone bear.

22. Hitherto in general in this Province there was no provision made for an establishment of Village Kurnams who were usually employed and paid by the Inhabitants whose servants they were and to whom they looked up entirely. As this officer is the medium between the Government and people and is of very great importance to the due security of both their respective rights in matters of revenue the policy of keeping it up and rendering it independent has been generally admitted, and it being a very desirable object to put it upon a proper footing here also. The remission of the Yawanah appeared a proper occasion also for this purpose and a Merah was accordingly instituted for the due support of a regular establishment of Kurnams who might in future be independent of the people.

23. While therefore Government have conferred a most beneficial relief to the people by the abolition of this Tax, they have at the same time secured these two important objects, that of instituting a fund for the constant future repair of the Tanks and Watercourses, and provided support for a due and efficient number of Kurnams—benefits which must operate to the constant advantage and prosperity both of the country and the people.

24. The Statement No. 2 contains an abstract comparison between the Jummah of Faslies 1217 and 1218 which shows an increase in the land revenue in the three latter which comprise the term of the lease of Star Pagodas 60,584—77. In the subordinate sources of revenue there is for last year an increase of Star Pagodas 3,891—15—4, making a total increase of Star Pagodas 64,475—16—1. If the additional revenue arising from the Pollams permanently settled be added amounting to Pagodas 1,05,704,, 15,, 19 the total gross collections for last Fasly will be Pagodas 5,93,094,, 3—62.

25. In order to contrast the present Settlement with the result of a series of former years management statement No. 3 will show the comparison between the three years of Mr. Cochrane's management which included the Yawanah and the three years of the lease now concluded by which it will be seen that for the first period the average gross collections were Pagodas 4,62,221—25—62, the charges 36,818—34—67½, leaving a net revenue of 4,05,403—22—74½. In the present lease the settlement is made for Pagodas 4,48,672—15—29 the expected charges 27,695—31—64, leaving a net revenue of Star Pagodas 4,20,976—22—45 or an annual excess upon the former net revenue of Star Pagodas 15,573—22—51.

26. This I should hope is the point in which the result of the settlement will be viewed, and if it is remembered that while the appropriable resources of Government are increased in the sum above stated, that at the same time a system of order and regularity will be introduced into the revenue, that the situation of the people has been much ameliorated by their being relieved from the payment of a burthensome and vexatious tax, that the grain market has been thrown open, and that Funds have been established for the future due repair of the tanks & Watercourses and for the support of ample and efficient establishment of Kurnams, I trust it will be found to have met the expectations which the Board may have formed from it.

27. Having now detailed the particulars of the settlement that has been formed and the grounds on which the amount of it was determined, the only part of the arrangement which remained was the fixing the Kistbundy or time of payment for the different instalments of the rent and their proportions to the whole.

28. As this subject involves more detail than might be expected it will require an explanation at considerable length, but I trust in the end that the matter will be placed in a satisfactory point of view.

29. It has been already stated in the foregoing part of this report that the Government always received the whole of its share of the Car or first in kind, and that after the extent of produce of the Peshanams was known and valued and the Jamabundy settled, such portion of the Car grain as remained on hand was also added to the three fifths of the Peshanum which the inhabitants contracted for and made over to them. The Peshanum crop as before said is cut in the months of January, February and March, and as the whole accounts for the different Taluqs were to be settled after that time the settlement for the year was never concluded till the month of May, and until then the grain was not delivered over to the people as the whole demand upon them was made payable within the Fasly they were left only a term of from two months to six weeks to dispose of their grain in for the payment of their rent.

30. Had this province been situated in the vicinity of a large capital or in circumstances where the people could command a Market for their grain, this time might perhaps have been sufficient for them to dispose of in, but this is not the case, and it is a material circumstance to be remembered while on this subject that the export of grain from this District is very trifling the whole produce being consumed in it. The northern parts of the Province and countries beyond it are entirely dry grain countries which being a cheaper food than rice the people do not use the latter. In Travancore the grain is a monopoly in the hands of the Government and none is permitted to be introduced there, and in Ceylon it is found that Bengal rice can be imported cheaper than grain from Tinnevely, & the Government there is, I believe, supplied by contract. The markets to the Northward are in a great degree inaccessible to them from the distance both by sea and land, the former of which modes altho' distance is a matter of less consideration is however shackled by the necessity of unloading and again reloading the vessels at the pass of Pamban, few of them attempting to sail round the Island of Ceylon. Under these circumstances the whole grain of the District is consumed in it and from them also the system of monopoly has hitherto been so long practicable, and although a very fertile country the price of grain here is upon an average very little cheaper in the district where it is grown than in Madras the general price of paddy having hitherto been from 27-11-67 to 29-19-55 Star Pagodas per M. Garce.

31. As the Demands upon the people when the settlement was once made were pressing and so great a portion of the produce of the year being brought into the market at once, there was of course a superabundance, and the people were obliged to sell their grain at a price below what they had contracted for with the carcar, and yet in spite of all their exertions it was found in general that they could not fulfil their engagements completely within the year, which ending so soon after the settlement of the rents there has always been a large balance of unsold grain on hand at the conclusion of the year.

32. As the Government was certain that the whole grain would in the end be consumed in the district they kept up the portion of it that was in their hands until that which was sold by the inhabitants had been consumed when the Government disposed of its grain at a high price, & as the whole of its proportion of the car or next crop was received in kind by keeping it up the people were under the necessity of purchasing the old grain before any of the new was permitted to appear in the market. There was also another practice which had crept in here which tended more completely to confirm this command which they had of the grain market.

33. It has already been stated that the revenue management here has hitherto been a system of expedients to raise it in amount as high as possible after the inhabitants had parted with the whole of their own grain which was generally in July or August, it has been customary for the carcar to advance them a portion of the Government grain for their subsistence till they could receive their own share of the car grain in December for which they mortgaged not an equal quantity of their portion of the Car crop as the price of the Car grain is lower than that of the Peshanum, but grain to an equal amount. The origin of this practice cannot be traced, but it might have arisen either in a year of scarcity when the Government were induced to take this step for the preservation of its inhabitants, or as is more likely commenced in a year of more than usual abundance when the Government having more grain than usual upon its hands and being apprehensive that it might spoil had compelled the people (as the Mahomedan Governments were not in general very scrupulous in these matters) to take a portion of the grain then in store to be replaced by new grain from the next crop.

34. This practice has gone on from year to year till for late years it has generally been one-third of the inhabitants share of the Car Grain already mortgaged to the carcar, which being received in kind left the people little to dispose of and confirmed the Monopoly to the Government. As the beginning of the system is not known it is uncertain whether it commenced with an advance or with a protraction of payment for the first year, but the effect was that when the rent came to be settled a considerable portion of the current year's produce was already mortgaged in exchange for that of the last year and the revenue as it now stands anticipated to that extent.

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35. From what is here said the Board will perceive that the collection of the revenue has hitherto entirely depended upon the grain market and that its quick or slow receipt rested upon the state of, and whether the demand in that market was great or otherwise. It could not therefore be expected that a revenue the collection of which depended upon adventitious circumstances like these, could be realized with the same punctuality as in a settled District where the payments were stated and periodical.

36. The settlement was always formed at too late a period of the Fasli to admit of the grain of the year being all sold before the expiration of it and there has consequently always been a large portion of the produce of one year sold in the next. As this was generally in grain and not being always valued, it did not stand as a demand against the district in the English Account & was only brought to account as received in the course of next year. In the first year that this happened there was doubtless a deficiency of the estimated collection to the extent of the value of the grain on hand, but after that year the amount of the value of such grain as remained on hand was made up by the sale of that of the preceding year, so there was afterwards no deficiency of collections and all trace of the first year of this system when this decrease of collections took place has been lost from the length of time that has elapsed since it commenced, although therefore the revenue has been an average one, that is to say, composed of part of the produce of two different years, yet the Government never have experienced any disappointment in the amount of their collections. This arose as has been before said from the collections depending on the state of the grain market, which, from the continued operation of a monopoly, has been thrown out of its natural course. The extent to which the unsold grain at the end of every year reached depended entirely upon the circumstances of the season; for it will be obvious to the Board that in a district where the whole produce is consumed in it, if subsistence for the people for fifteen months is raised in one year by the system that has been pursued, the revenue of the succeeding year would be thrown three months in arrear because there was grain sufficient for the consumption of the people for three months remaining of the preceding year's produce to be disposed of before the new grain was brought to market, and the dearthness of the grain and remote situation of the district precluded any relief from a foreign market. If in the next year there was again a produce above the demand for the twelve months, the revenue of the following year would be thrown still so much further in arrears, but if on the contrary there was a deficiency of produce, say nine months consumption only, matters at the end of the second year would again be brought back to their original situation.

37. As things had in this manner found their own level under this system and the year when the original deficiency of collections first took place had been long since forgotten, the Government found no inconvenience from it, on the contrary from the collections being made up partly of the produce of two years the revenue became an average revenue and was for that reason more certain than if entirely composed of the produce of one year. The accounts in the Office reach only from the commencement of Mr. Lushington's management from which time to the present it appears that the average amount of what may thus be called arrears was Star Pagodas 1,63,766 or 36 $\frac{3}{4}$ per cent of the whole revenue of every year to be collected within the succeeding Fasli.

38. So long as the district remains under Amam this was a matter of little consequence, the average revenue was always received and the arrears being in grain they did not stand as a balance against the district in the English accounts. When it came to be rented and the whole amount of rent brought forward in the English accounts as a demand within the year, the situation was materially different. To expect that the grain market could all at once on the district being rented (and 36 $\frac{3}{4}$ per cent of the produce of the former year still on hand) be disposed of so as to bring the accounts at once to assimilate exactly with the English forms was to expect an impossibility: it would have been to look for a collection not of a full years revenue, but for one of one hundred and thirty-six per cent of revenue within the first year, while past experience had abundantly shown that the Government never could in any one year dispose of the whole produce of it with the addition of that on hand of the preceding season and it could not therefore be supposed that the people could do that which the Government had found to be impracticable.

39. This consequence of the rent was foreseen by me before it was commenced upon & the Board will recollect that in my report of the 20th April 1803 upon the different modes of management which might be adopted here, it was stated that in the event of a village lease being introduced it would be necessary to fix two of the kists at least as payable after the conclusion of the Fasli to enable the people to dispose of their grain, which the Government never could hitherto do until at least the month of November in the succeeding year and unless some indulgence in this respect was shown to them it would be impossible that they could fulfil their engagements for the rents. Having now said so much generally upon this subject I shall proceed to describe the particular circumstances of the year.

40. Knowing that the revenue here was always composed in a considerable part of arrears and that it existed to an extent so as to render it impossible all at once merely by renting the villages to restore the time of the collections to their proper course it became necessary in the first instance to ascertain to what extent the revenue of the year had generally been outstanding at the conclusion of the Fasli in order that such arrangements as might appear the best suited to restore regularity might be adopted.

41. The Statement No. 4 will afford the Board this information, and it will be there seen for each year from Fasli 1211, the first year of the Company's management, that the revenue outstanding, (that is to say the amount of the value of grain unsold at the end of the year) was never so low as one lac of Pagodas & that it fluctuated from that sum to two lacs and twenty four thousand Pagodas. The cause why so little grain remained on hand at the end of Fasli 1211 or the first year of Mr. Lushington's management, was, that there was a more than usually great demand for it, from there being at that time a very large body of Troops employed in the province and the neighbouring district. The Fasli 1216 furnishes a striking illustration of what has been above said. In that year the crop was very abundant and consequently the quantity unsold at the end of the year was considerable and threw the next year's revenue so far back that although it was an unfavourable season with the assistance of the preceding year the collections were equal to those of any other Fasli. The general result shown by this statement is that on an average there has been grain to the extent of Pagodas 4,52,462 raised annually in this Province, of which Pagodas 2,33,695 or 51 $\frac{1}{2}$ per cent. has been sold within the Fasli, leaving Pagodas 1,63,766 or 36 $\frac{3}{4}$ unsold at the expiration of it.

42. In respect to last year in particular it happened that Pagodas 1,78,538 was outstanding at the commencement of the present Fasli. In the determination of the kistbundi had the whole revenue of the present year been made payable within the 12th July it would have made the demand not one hundred per cent. or a whole year's revenue, but one hundred and thirty six per cent. which it has been found never could be collected.

43. It therefore became necessary that the amount of this arrear of 36 $\frac{3}{4}$ per cent should if possible be divided upon the different years of the lease by a proper settlement of the kistbundi rather than that the whole should appear in one year against which, from the certainty it could not be collected must ultimately stand as a balance in the accounts. In addition to this there was also a large portion of the Car crop amounting on an average of years to 38 per cent of the whole crop already pledged for grain of the last year advanced to the inhabitants which would of course decrease their ability in an equal proportion to discharge their rents and this system of accommodation by advancing to them the grain of one crop on mortgage of the produce of the next was to cease. As an early conclusion of the settlement was at that time looked for & as it was hoped that individual interest would open facilities to the people in the disposal of their grain which the Circar did not possess, it was supposed that the best arrangement of the kistbundi so as most probably to answer the end in view would be to settle the kists so as to make eighty per cent. of the revenue payable within the Fasli and the remaining twenty in two kists afterwards. It has been shown that hitherto the average collections within the year have been 63 $\frac{1}{2}$ per cent. by the above arrangement, therefore of the 36 $\frac{3}{4}$ per cent. which has generally fallen within the next Fasli. Sixteen per cent. would be recovered on the first year's rent, and it was proposed that of the other twenty per cent. should be added ten per cent. or the September kist be apportioned on the kists of the second year of the lease and the remaining ten per cent. be again added on those of the third year, so that if the circumstances of the season admitted it the state of the collections would again fall into the terms of the English accounts, which a number of concurring circumstances long operating have caused in great a dissimilation from them.

44. With this view of the subject then the following kistbundi was fixed in which from the quantity of grain on hand it was deemed necessary to protract the demand of the first kist until the month of December.

Kists falling due...	...	...	...	...	Centago.
					13 $\frac{1}{2}$
15th December 1805...	...	...	...	...	5—
					16
					4 $\frac{1}{2}$
15th January Do.	...	...	...	...	6—
					16
					3
15th February Do.	...	...	...	...	6—
					16
					5 $\frac{1}{2}$
15th March... Do	...	...	...	...	7—
					16
					13
15th April Do	...	...	...	...	13—
					16
					9 $\frac{1}{2}$
15th May Do	...	...	...	...	13—
					16
					10 $\frac{1}{2}$
15th June Do	...	...	...	...	13—
					16
					5
15th July Do	...	...	...	...	12—
					16

Kists falling due.	Centaga.
15th August Do	7½
	16
	7½
	7½
15th September Do	10—
	16
	100

45. After the orders of the Board for the formation of a three years lease were received it required some time to prepare the accounts, and as the early part of the last season was unfavorable if the rent had been then offered to the people they would have been alarmed at the idea of undertaking so heavy a responsibility at a time when the result of the year was still equivocal. It was not therefore till the middle of December that the renting began and after two Taluqs were finished the most positive orders were sent to me by the Government to prepare supplies, provisions and carriage to a great extent for a large army then under orders to act against Travancore from Trichinopoly and also for detachments from Ceylon. As this duty was paramount to all others at the time I was obliged to send away all my servants & the inhabitants who had been assembled at the Cutchery for the purpose of renting their Villages back to the Districts that they might procure and furnish the requisite supplies for the army, which duty at the time occupied my whole attention, as the responsibility of equipping the Force rested solely on me; after all these supplies were collected orders were received to discontinue them & this took up nearly as much time as the collecting them as they were in every practical instance restored to their former owners so that the expense to Government might be as trifling as possible. Circumstances afterwards rendered it necessary that the expedition against Travancore should still go on and within a month the supplies were again to be provided and forwarded both with the army from Trichinopoly and the detachments from Ceylon; while this was going on it occupied the whole time and attention both of myself and servants, so that no progress could be made in the renting. Independent of these circumstances however it would have been impossible to proceed with it as during the time that hostilities were carrying on against Travancore the people of this province were under so great a dread of being invaded and plundered by the Travancorians that they would on no account have consented to undertake the novel and increased responsibility of the whole rent of their villages while they were under apprehensions of attack from a foreign enemy. It was not therefore till peace was restored and the army broke up which convinced them that the danger was over, that they could be again assembled at the Cutchery or prevailed upon to rent their villages: From these causes the conclusion of the rent was protracted for a period of from three to four months beyond the time when it was expected; and it was therefore not finished earlier than usual, it being April and May before the whole was done, the consequence of which was that instead of the grain having been delivered over to the people in time to allow them to seek eligible opportunities of disposing of it, they did not get possession of it till the month of May at which time there was an accumulation of six kists due by them amounting to 53½ of the whole revenue, by which the rent so far from improving their condition in the first instance rendered their situation worse than usual, as they had only from two months to two months of the Fasli left them to dispose of their grain, while past experience has shown that that space of time was never sufficient to get rid even of the three fifths which was their former portion. These causes therefore rendered it absolutely necessary that they should be allowed some indulgence in regard to time as if they had been rigorously pressed for payment they must have sold their grain at so great a loss as would have ruined the greatest part of them and consequently caused the entire failure of the lease. As it was, excepting in the immediate vicinity of Pinnevely the people have in general sold their grain below the dowle price at which it has hitherto been valued in making the settlement with them which clearly marks the necessity of showing them a considerate indulgence in respect to time to allow these to dispose of their grain on terms which might not involve them in serious loss. These circumstances together with the large accumulated arrear of kists due by them have therefore occasioned the collections since, although in amount they have been very great, to appear as rather backward in the English accounts.

46. The only part of the subject which now remains to be mentioned is a difficulty which I have experienced in entering the settlement in the English accounts, under the situation in which the collections have been placed from the effect which a long continued system of monopoly has had in altering the natural state of the grain market upon which they have hitherto depended.

47. The necessity for making two of the kists of last year payable within the present Fasli has I trust been fully demonstrated; as the settlement however was made for last year I am not sure whether in strict conformity with the forms of the English accounts the whole of it ought not to be brought to account as a demand within that Fasli although a very considerable portion of it is not payable till after its expiration. This was my opinion at the time the demand collection and Balance from 1st to the 12th and 12th to 31st July was prepared, but upon further reflection it strikes me that, as it has no reference whatever to the actual collection of the revenue a more

judicious mode of entry may be resorted to which will in the end render the assimilation between the accounts of the collections and the English forms more complete.

48. It has already been stated that at the conclusion of last Fasli there was an arrear of Star Pagodas 1,78,538 to be collected within the present year. This has been done with a balance which is as moderate as under all circumstances can be expected because the Government having hitherto traded so largely in grain, it must be expected that it is exposed to those losses in common with all dealers which no trade is exempt from.

49. If the whole amount of the settlement then is to be brought in as a demand within the Fasli, it is just falling into the error that I have been endeavouring to guard against, that of expecting that the simple charge from Amami to rent is all at once to alter the nature of things and to produce the collection of one hundred and thirty six per cent. of revenue (including the arrears) within one year, which from the late period at which the settlement was concluded differed in fact in no material degree from former seasons when it was found to be impracticable. By this mode of entry also, the whole effects and defects of the system hitherto adopted, which it is the intention of the present lease gradually to cure, will be brought forward at once and stand as a balance against a year in which the full revenue has been collected and which if done it will be very difficult and create much confusion to rectify in the accounts.

50. By the statement of Demand Collection and Balance formerly transmitted to the Board the whole amount of the settlement was entered as a demand within the Fasli, which in addition to the arrears made the demand not Star Pagodas 4,46,957 the amount of the settlement but 8,22,209 Pagodas, and in order to do this it was necessary to enter as kists due to the 12th July Star Pagodas 3,00,567 while in fact of that sum there was 1,48,575 which was not demandable till after that date and the result according to that account would have been that at the end of the Fasli there was a balance of the settlement of 3,00,476 Pagodas and on the 31st July 2,20,304—and on the 31st August 1,29,718 Pagodas.

51. As the last year however has not differed in circumstances from others preceding and as the revenue of it has been like them an average revenue, it appears that if the kists are entered as they actually fall due and are credited to the year within which they are payable, it will make a much better appearance and save much future confusion in the English accounts without at all interfering to the prejudice of the collections.

52. It has already been explained as my view, that of the thirty six per cent arrear at the commencement of the year sixteen per cent of it should be collected this year & the rest if possible within the remaining period of the lease. This intention was kept sight of in fixing the kist-bundly & on the receipt of the July kist the whole amount of revenue with that addition of 16 per cent will have been received. The July kist differing in no respect from the others is payable on the 15th, but does not become an arrear of revenue till the 1st August, and as time was of material consequence to the people they did not pay till the last hour, and I shall therefore while talking of the July kist mean to be understood as referring to the end of the month in comparing it with former Faslies in which the last kist was always payable on the 12th July which consequently in this instance makes those two dates coincide as the points on which a fair comparison is to be made.

53. If therefore the July kist be included in the last year's revenue and the August & September kists make a part of the demand for the present year in which they are payable the result will be as follows. The balance as per Demand collection & Balance on the 12th July will stand at Pagodas 2,07,001, on the 31st of that month Pagodas 1,26,828, and at the end of August it will be 36,242.

54. The state of the collections to this time will tend to put this subject in a satisfactory point of view. To the 31st July last there were collected arrears Pagodas 1,85,252, from the land revenue rented Pagodas 2,26,653, in all Pagodas 4,11,906. I have already stated as the reason from the lateness of the conclusion of the settlement, and the consequent necessity of allowing the inhabitants some indulgence in respect to time that the collections were thereby thrown somewhat in arrears. If however the sum of 4,46,957 be considered as a fair amount of revenue to be derived from this Province, which I trust it will, the Board will perceive that within eighteen days after the expiration of the Fasli it was collected with a balance of 35,051 Pagodas of which twenty thousand were collected, but not shroffed when the accounts were closed. In the month of August the collections exceeded ninety thousand Pagodas by which six weeks after the expiration of the Fasli the whole amount of revenue of the preceding year had not only been received but a sum of fifty five thousand Pagodas of the resources of the current year had been realized at that early period of it and making the collections in these thirteen months Pagodas 5,01,900.

55. Judging then from that important criterion, the state of the collections, the Board will perceive that they will in no way be affected in whatever manner the settlement may be entered in the English accounts, and as it is desirable that it should be done in the mode least likely to create confusion, I request the Board will permit me to substitute the accompanying statement of Demand Collection and Balance for July in place of those formerly transmitted, and unless the Board prohibit it I will revise the abstract and correct them also. As this arrangement has no

connexion whatever with the collections the Treasury Accounts will remain as before. In the Statements now forwarded the August and September kists are deducted from the last years settlement which is thereby decreased in the sum of 93,475 Pagodas, but this is again more than counterbalanced by the amount in arrears and amari collected within the year.

56. In the event of the Board permitting the change here proposed it is necessary that I should prepare them for one temporary effect which it will have—that of making the demand for the current revenue appear very considerable at the beginning both of this and the next year from the first kists being so large, and this will appear particularly so this year from their being two kists of last years revenue payable at the beginning of it; if however a little indulgence in time is allowed the whole will fall into its due channel in the course of the year, and I trust by the end of the lease that the whole irregularity caused by the system hitherto pursued, will be corrected. It is however possible that the state of the seasons may turn out such as to render this impracticable within so short a time, as the adding the kists now payable in August and September to those falling within the Fasli will operate as an increase of revenue for the two next years. There is however this comfortable reflection that whether this arrangement of the accounts succeeds perfectly within the time looked for or not, the amount of the collections will be in no danger of suffering any diminution by it & this is the grand criterion by which the system will I trust be judged.

57. I was in great hopes at one time that the whole arrears of the accumulated kists with that for July, would have been collected within the month of August, but in the course of it both my own attention and that of my servants was again called away from the duty of collection to provide supplies for a large detachment from Trichinopoly and Troops from Ceylon which with other causes, rendered the collections for that month less in amount than was expected. In order however to show the Board the state of the collections to the 31st August and that they are not more in arrear than usual, I beg to refer them to the Statement No. 4 which points out the amount of the revenue in arrear in all preceding years to have been much more than double what it will stand this year, and that if the arrangement for the entry in the accounts which is proposed be adopted the rent will already have operated so far to the restoration of regularity in the accounts.

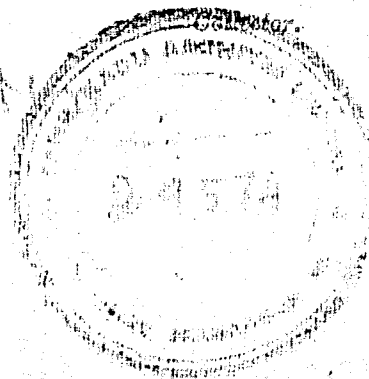
58. A sum considerably exceeding the amount of the balance there appearing will be received in this month which will clear off the greatest part of it and also a considerable portion of the August kist of the current revenue, which has fallen a month in arrears, but I have already explained the necessity I was under from the late period at which the settlement was formed and the accumulation of kists with which the people had their villages made ^{operant to them} to grant them some indulgence in time to dispose of their grain, the consequence of which will be that at the end of this month the collections will have been thrown backward about one month; but when it is considered that the large amount of them within these last fourteen months has been unprecedented in so short a time, and that the end intended by the lease has already in a good measure been effected, I trust that this circumstance will not operate to the disappointment of the Board. The Demand for current revenue at the end of September will appear considerable from a partial arrear in the collections of two considerable kists which will by that time be due, but in the course of a little time everything will fall into its regular course.

59. The cause why the transmission of this report has been delayed till this date has already been submitted to the Board and they have been so indulgent as to admit of the reasons urged for it altho' the protraction of its despatch till after the expiration of the Fasli is a departure from official regularity, yet the circumstance upon the whole is perhaps not to be regretted as I am now enabled to speak with certainty as to a result which four months ago would only have been a speculation.

60. It is with satisfaction that I avail myself of this opportunity of acquainting the Board that I have had every reason to be pleased with the assiduity and attention of my senior Assistant Mr. Hanbury and with the additional knowledge he has acquired of the native languages since the date of my last report. My junior Assistant Mr. Harrison who lately joined has also applied to the study of the Hindostani and to the attainment of a knowledge of the duties of his office in a manner which is highly commendable in him, and I consider it a justice due to these gentlemen that the Board should be made acquainted with the satisfaction I derive from both of them in the performance of their duty.

TINNEVELLY,
Tenkasi
14th September 1809.

[Signed] JAMES HEPBURN.



29-10-74 TC

6/11/74 RH