ADMINISTRATION REPORT

AND

BUDGET ESTIMATE

OF THE

COCHIN STATE,

FOR THE

MALAYALAM YEARS 1073 AND 1075 RESPECTIVELY.

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From F. A. NICHOLSON, Esq., C.I.E., Acting Resident in Travancore and Cochin, to the Chief Secretary to Government, dated Trivandrum, 16th June 1899, Ref. on C. No. 1304.

I have the honour to forward herewith the administration report of the Cochin State for the Malabar year 1073 (1897–98) and the budget estimate for 1075 (1899–1900).

General and Political.

2. The Hon'ble Mr. J. D. Rees, C.I.E., was Resident during the whole of 1073, and I assumed charge a week after the close of the year.

M.R.Ry. P. Rajagopalachari Avargal continued to be Diwan throughout the year: for two months from 10th June 1898 he was on leave and M.R.Ry. S. Swaminatha Aiyar Avargal acted for him.

The chief political events of the year were the visit paid by His Excellency the Governor to Cochin in October 1897, and the presentation of the Insignia of K.C.S.I. to His Highness the Raja on the 20th July 1898. During His Excellency's visit he laid the foundation stone of the Victoria Public Library at Ernakulam intended to be a memorial of the Diamond Jubilee of Her Majesty the Queen-Empress.

Land Revenue.

3. *Survey.*—A revenue survey was begun under the superintendence of Mr. J. Thomson of the British service.

4. *Demand, Collection and Balance Statement.*—The demand, including Devaswoms, was Rs. 7,26,242, of which Rs. 7,22,191 or 99·5 per cent. were collected within the year; the worst taluk collected above 98 per cent. This exceeded the demand of 1072 by Rs. 21,988, due to increase of cultivation.

5. *Demand, Collection and Balance Arrears.*—These were successfully diminished; the opening balance was Rs. 121,415 belonging to many previous years; of this, Rupees 50,552 were written off as irrecoverable and Rs. 44,630 were collected; the closing balance was only Rs. 26,232; this is a decided improvement both fiscal and administrative. It is not clear why arrears of 76 years' old, as in Cochin taluk, should be kept on the list; *primâ facie* it would be well, from every point of view, to strike off without enquiry everything of more that six or at most twelve years' standing, even at the cost of loss.

6. *Coercive Processes.*—In 1,165 cases moveables were distrained, but in only fifteen were they sold; in sixty-seven cases land was attached and given over on nadupattom to third parties for the clearance of arrears. *Per contra* interest on dues not paid, only amounted to Rs. 7,026 as against Rs. 13,823 in 1072—a distinct gain to the ryots.

7. *Revenue Cases.*—Above 93 per cent. of all pending cases were disposed of, only 214 remaining at the end of the year, but the number of cases filed seems extremely small, *e.g.*, in the whole State only 479 waste land cases and 79 transfers were filed in 1073. As for the Puthuval Samprathies whose work is said to be poor in spite of orders, there is, surely, a very simple remedy.

8. *Inspection by Peishkars.*—The touring of the Southern Division Peishkar, viz., 70 days in 1072 and 92 days in 1073 seems short, in the absence of explanation.

9. *Expenditure.*—This rose from Rs. 84,442 to Rs. 94,019, but "Establishment" had no part in this increase: it is believed that 1074 will show the beginning of a desirable addition under this head.

Legislation.

10. No regulation of importance was actually passed, but several measures were advanced and others were under consideration both Civil, Criminal, Commercial and Administrative.

Police.

11. A re-organization scheme was pending disposal at the end of the year: at present the strength remains as before, the slightly increased cost being due to the purchase of uniform, &c. The black-mark system is in working order and the Superintendent approves of its effect. Out of 87 prosecutions only three were departmental: *all* the private prosecutions ended in acquittal or discharge—a fact which confirms my view expressed in paragraph 8 of the review for 1071. Processes served increased by 2,565 or 14 per cent., but paragraph 77 of the report shows that magisterial cases increased by 20·17 per cent. and persons involved by 25·78 per cent., hence the increase in the processes is intelligible. The registration of K.Ds. was begun during the year. Remarkable results appear under detection and disposal of cases. Penal Code cases before the police were 1,877, of which 1,723 were disposed of, 766 or 44 per cent. being referred as false, and 957 were charged: 953 were decided, of which no less than 707 cases or 74 per cent. with 65 per cent. of persons were convicted; property lost was valued at Rs. 50,391 but was recovered to the value of Rs. 39,648 or 78·68 per cent.

Curious statistics are given in paragraph 63; it is not understood how the average duration of cases before the police should have been 21·79 days in 1073 against 10·18 in 1072: durations do not vary over a large number of cases to such an extent. It also seems unusual that in "charged" cases the accused were on an average detained in police custody only half a day (0·58), in referred cases 0·44, and in "other" cases only 0·15, especially when compared with figures for 1072, viz., 1·67, ·78 and 9·60. The Diwan will be consulted on the interpretation of the words "detention in custody."

Crime.

12. Including 682 ordinary thefts, 1,343 cases of "grave crime" were reported to the police in the year. As in Travancore, dacoities, thefts, and especially robberies, are often either mere exaggerations or disputes about property and are rightly referred. House-breakings reported and pending were 328, of which 144 were referred as false and 68 were still under investigation. No explanation is given of the reason for the "referring" of so large a proportion: convictions were very high, viz., 91 out of 116 cases or 78·4 per cent. Thefts for disposal were 939: of these 529 were charged, with 80 per cent. of convictions. The figures in the police section under the more serious "grave crimes," *e.g.*, murder, dacoity, robbery, and house-breaking, differ inexplicably from those under magisterial cases (paragraph 78): in the case of such crimes practical correspondence should be possible or explanation given.

The Magistrates received 4,083 cases involving 8,976 persons under the Penal Code, being an increase of 24·9 per cent. in cases and of 28·3 in persons over 1072.

Criminal Justice.

13. The year began with eight third-class Magistrates, but ended with none: ten second-class and two first-class Magistrates and two Sessions Courts exercised jurisdiction; three third-class and one second-class also worked during part of the year.

14. *Magistrates.*—The year closed with small arrears, notwithstanding the large increase in the cases: first-class Magistrates, however, had only 56 cases for disposal, being less than in 1072. Out of 9,482 persons concerned, 4,065 were involved in cases which never came to enquiry, of the remainder 64·78 were discharged or acquitted. No statistics are available of the percentage of convictions under the Penal Code, or under its several offences. Twice as many persons were imprisoned rigorously and more than twice as many whipped as in 1072; other punishments show slight or no increase: fines decreased considerably in severity. The fines imposed during the year aggregated Rs. 10,722, of which 50 per cent. was collected; arrears of previous years totalled Rs. 31,278, of which Rs. 112 or 0·3 per cent. were collected. The bulk of these previous arrears should be wiped off since collection is impossible: their retention merely gives room for periodical oppression by underlings. Out of 1,870 persons convicted with appealable sentences by second and third class Magistrates, one in four appealed; confirmation resulted in 57 per cent.: a similar proportion appealed from first-class Magistrates with 85 per cent. confirmed. Twenty-six witnesses were detained beyond three days in the ten second-class Magistrates' courts; of these one Magistrate (Kenayanore) was responsible for fourteen, but his cases were 1,086 in number or double those of the next Magistrate: his cases lasted, on an average, 11 days, being far the highest of all except Cranganore who, with only 347 cases, had an average duration of 13 days; these results are noticeable.

15. *Sessions Courts.*—There was a large reduction in fines and quadrupled award of rigorous imprisonment. Fines imposed during the year were Rs. 2,475, out of which not one anna was collected. Out of 64 persons convicted with appealable sentences 61 appealed; sentences were confirmed in 57 per cent.

16. *Cost.*—The net cost to the State of Criminal Justice was Rs. 28,967.

Jails.

17. There were as before 1 central and 7 subsidiary jails. The chief points noteworthy in the Central Jail are poor discipline amongst the staff, an increase in daily strength from 158 to 212, a nearly doubled sick list, a large decrease in jail punishments, and an increase in extramural labour. Ten persons were above 60 years of age, and one female was under a life-sentence.

Civil Justice.

18. Original suits increased in number by 2,331 or 24·5 per cent. and in value by 5·42 lakhs or 43 per cent. The increase is attributed to a development of credit transactions and to rise in prices: the unregulated "Kuri" or loan fund system of credit has been reported to me as the cause of innumerable suits, owing to grave irregularities and frauds in the absence of a special law and regulations. Suits for immoveable property nearly doubled in number. Disposals exceeded institutions.

19. *District Munsifs.*—The District Munsifs had for disposal 7,613 ordinary and 3,971 small cause suits, and decided all but 179 and 13, respectively. Average values rose from Rs. 102 and Rs. 12·36 to Rs. 111·7 and Rs. 14·2. Of the ordinary suits 23 per cent. and of small cause suits only 11·2 were contested, the great bulk being disposed of *ex parte* or on admissions: of the contested suits exactly one-fourth went wholly in favour of the defendants: contested suits lasted for 2 months 4 days and 14 days, respectively. One-third of the appealable decrees were appealed against and 52 per cent. of them were confirmed.

20. *Zilla Courts.*—These had 585 suits for disposal, against 522 in the previous year, valued at 9·17 against 6·54 lakhs; 456 were decided, of which 238 were contested with an average duration of 5 months 19 days: one-fourth of these latter were wholly in favour of defendants. Appeals averaged 2 months and 9 days in duration.

21. *Appeal Courts.*—No features of special note are recorded, but appeals decreased decidedly in average duration.

22. *His Highness the Raja's Court.*—There were six appeals pending of over one year's standing, one being above three years; improvement is desirable in promptitude of disposal.

23. *Financial.*—Owing to the increase in litigation numerically and in value, receipts rose from 0·86 to 1·29 lakhs, giving a net surplus of Rs. 0·63; deducting the net cost of Criminal Justice, there was a surplus of Rs. 34,440 under "Law and Justice."

Registration.

24. Offices were increased from 13 to 15: registrations were 30,067 being an increase of 2·3 per cent., the value rose to 109·9 lakhs or by 9·81 per cent. It is noteworthy that while only 1,947 or 6·4 per cent. of the documents were registered at Chittore, their value was nearly 14 per cent. of the total, and between 40 and 50 per cent. greater than in Cochin, Ernakulam and Trichur where the number of documents was greater by 27 to 52 per cent.

The great rise in value occurred in sales and mortgages of Rs. 100 and upwards: these rose from Rs. 531 and Rs. 475, respectively, to Rs. 589 and 534: the increase, however, was largely due to documents of value above Rs. 10,000 and especially above Rs. 50,000.

99·45 *per cent.* of the documents were registered on the day of presentation: this is an extraordinarily good result.

Receipts increased to Rs. 43,657 yielding a net surplus of Rs. 19,888 as against Rs. 16,791 in 1072.

Military.

25. The strength of the infantry was 300. There were also 19 artillery and 16 of the body guard. The total expenditure was Rs. 39,731, for which sum it would be possible to have a smaller but more efficient force.

Marine.

26. There is nothing special to note except an approximate return to the figures of 1071 in the number and tonnage of ships cleared at Malipuram. It has been suggested to the Diwan that the wreck mentioned in paragraph 222 should be blown up if possible.

Season and Rainfall.

27. The year was fairly but not altogether favourable.

Coffee and Tea.

28. The statistics of yield are quite worthless unless the planters in 1072 and 1073 worked at a loss: 70 and 105 pounds of coffee and 102 and 68 of tea per acre of mature plants will not pay. The sources of information are not stated.

Forest.

29. This department was and is in a transition state, and remarks are consequently almost useless. Its gross income was Rs. 51,157, its expenditure Rs. 42,430, and net surplus only Rs. 8,726. The fall in income is due largely to the non-arrival of timber at depots for sale owing to late contracting, while the rise in expenditure is due to the charges under the contract system. "Minor produce" fell, however, from Rs. 186 to Rs. 131. The report states in paragraph 232 that violent fluctuations are common: this however was not the case for the previous five years; before that it was probably a matter of accounts and not facts, unless the forests were worse managed then than now.

Nothing is stated as to the condition of the teak plantations at Palapilli regarding which opinions differ.

The accounts were in a bad condition, but were taken in hand under the instructions of the special Account officer.

It is worth noting, though belonging to the current year, that a British Forest officer has been obtained as Conservator, and that a wholly new start is to be made from 1075.

Public Works

30. The Maramat department was merged in that under the Chief Engineer, during the year, a desirable reform.

Expenditure was Rs. 6,23,613 against the budget estimate of five lakhs and actuals of 5¼ in 1072. The increase was practically nominal, being solely due to the adjustment of accounts, by which, on the one hand, large sums were paid out for works completed during the past years, and on the other, refunds, which appear under income, were paid in from advances taken for works but not expended thereon. Under the advance system now abolished, if an estimate was passed for Rs. 10,000 the whole sum was drawn: of this, say, Rs. 5,000 was spent on the work estimated for, and Rs. 5,000 on some other work or works whether estimated for or not: the first work again was completed from funds drawn for some other work and so on: even deposits were drawn upon. For instance, in the case of six or seven works on several of which Rs. 10,000 had been spent (in one case without estimate) not one rupee had been drawn from the treasury: these were executed from the allotments for other works. The result was absolute confusion in accounts, and neither the Engineer nor the treasury knew in the least how matters stood in regard to many hundreds of works completed or in progress. Hence the figures for the year do not show the statistics of the year only, but a fictitious sum composed of adjustments by way both of expenditure and of refund for many past years; criticism on the statistics is, therefore, impossible this year.

The "system" having now been abolished need not be further criticised: for 1075 everything will be regular in system and intelligible in accounts.

Anchal.

31. This department considerably developed both in offices, letter boxes and results: there were 21 offices, 14 letter boxes and 459,773 articles carried, as against 19, 10, and 376, 93. The net cost was Rs. 3,956, which consequently represents the cost to the Sirkar of carrying 260, 261 official articles, or 2·9 pies each. New anchal stamps were issued during the year.

Salt.

32. Sales rose from 160.151 to 168,575 maunds or 19·18 pounds per head. The sales at northern depots still further decreased, since private trade purchasing in southern taluks can undersell the Sirkar at the rates settled between the British Government and the Sirkar for frontier depots; the matter is now before the Madras Government. Net income fell to 4·12 lakhs from 4·21 in 1072, owing to the higher prices paid for salt.

A new Salt Regulation was under preparation.

Stamps.

33. There was a small falling off in sales and receipts during the year; probably a mere fluctuation. Disbursements decreased notwithstanding a large sum belonging to 1072 adjusted in 1073. Net revenue was Rs. 1·09 against 1·15 lakhs in 1072.

Abkari.

34. This seems in an unsatisfactory condition: the cancelments of contracts, defaults, and re-sales seem to have been the order of the day in 1072, which of course reacted on the results for 1073; a heavy demand in 1072 of 1·61 lakhs, as against 1·26 in 1071, was followed by cancelments and by a revised demand of only 1·36 in 1073. There were arrears for collection in 1073 of no less than Rs. 24,798, presumably of 1072 alone, since a new three year period began in that year. No statistics of shops or liquor consumption are given, so that nothing is known from the report of abkári methods or administration. In paragraph 298, it is remarked that, though abkári is admittedly in an unsatisfactory condition, it is not proposed to undertake reform at present, for fear of an undue burden of reform. But in a matter directly affecting the welfare of the people, whose character and habits may be rapidly debased by a bad system in liquor traffic, the administration, especially in a small State with large establishments, must take up the burden without asking the weight, especially as the finance system of the State has now been put on a good footing and

a great burden thereby removed. The matter has been adverted to as urgent since 1070 and the Madras Government in paragraph 15 of its order on the report for 1071 hoped that radical changes would be no longer postponed. Apparently the present contracts expire with the current year.

35. *Opium and Bang.*— This has also fallen into heavy arrears which was evidently the case with the previous contract.

Vital Statistics.

36. The registration of births and deaths is admittedly imperfect: statistics showing births at 7·7 per mille and deaths at 12·2, are useless.

Vaccination.

37. The staff was considerably reduced, viz., to a Superintendent and 15 vaccinators: operations, however, increased to 23,649 or by 1·6 per cent., 93·28 of these were successful, of which 34 per cent. were verified: glycerine paste, obtained from Madras, was wholly used. Each successful operation cost As. 3 *P.* ½.

Sanitation.

38. Conservancy establishments worked in 9 towns, under a Board in each town except Tripunitura. Operations cost a sum of Rs. 19,878 which was wholly defrayed from State funds. A private scavenging system was under consideration at Mattancherry during the year: this town (Native Cochin) is, sanitarily, the most dangerous spot in the State, and ought to be well-looked after.

The Boards met on an average only five times per annum.

Medical Relief.

39. The year closed with 7 hospitals and 5 dispensaries, having in all 152 beds; the staff under Dr. Coombes included two assistant surgeons, one lady doctor (Mrs. Williams), six apothecaries, five hospital assistants and eight midwives. In-patients increased to 2,850 and out-patients to 138,760 or by 8·7 and 5·7 per cent., respectively; of these, 51 per cent. were adult males, 24 per cent. adult females, and 25 per cent. children; the proportion was much the same in 1072. On occasions I made thoroughly surprise visits to hospitals and found everything in good order. Medical work, for women and children specially, was very efficiently performed at the Mattancherry dispensary by Mrs. Williams whose quota of work was 15,690 patients with 781 operations and 58 midwifery cases. The eight midwives at the hospitals attended to 170 cases. Plague precautions were adopted during the year, and inspection camps established at Cheruthuruthi (Shoranur), Malipuram (sea-port), and Mattancherry (Native Cochin).

The cost during the year was Rs. 64,526 against Rs. 39,160 in 1072. The rise is mostly unreal, since the medicines, instruments, bedding and clothing of 1072 were mainly paid for in 1073. But a real increase occurred by the appointment of new apothecaries and the raising of two dispensaries to hospitals.

Instruction.

40. Schools increased by 2·16 and pupils by 12·33 per cent. It is, however, curious that aided schools fell by 8·2 and 6·56 per cent., while unaided ones rose by 2·86 and 20·41 per cent., respectively. The actual numbers of pupils at Sirkar, aided and unaided schools were 6,465, 8,165 and 19,686, respectively. It is unusual to see aided schools decrease in number and strength, and no reason is given.

The total number of pupils was 34,316, of whom 24,852 were boys and 9,464 were girls, being in the ratio of 45·8 and 17·5 respectively to children of a school-going age calculated as 15 per cent. of the population: this compares well with the Madras Presidency figures of 26·8 and 4·5 per cent., respectively. The increase from 1072 was 8·5 and 23·8 for boys and girls, respectively, the latter thus showing a very heavy increase. The order of precedence in education both for boys and girls is Jews (very few in number), Christians, Muhammadans, and Hindus: two Christian boys in every three and one girl in every three, were at school. Out of the 44 schools for girls only, no less than 15 are unaided.

There were four Industrial schools with 206 pupils: some very good printing and other work is turned out at two of the schools.

The net cost of education was Rs. 74,101, as against Rs. 73,022 in the previous year: this resulted from a gross cost of Rs. 1,10,421 and receipts of Rs. 36,320.

The report on "Instruction" is purely statistical, and nothing is stated as to the educational system of the State with any modifications during the year, the results of such modifications, the working of the grant-in-aid system, the qualifications of teachers, the work of the Normal school, the stimulation of local interest in education, &c.

Financial.

41. *General.*—Excluding the debt heads, the revenue for the year was Rupees 24,57,860, and the expenditure Rs. 23,27,796, showing a surplus of Rs. 1,30,064. The main point of the figures for 1073 and 1074 is that they are swollen on both sides by the adjustment of accounts now going on in all departments: in 1074 also by the proposed sale of Government securities and the consequent expenditure on the railway.

42. *Receipts.*—The revenue nominally exceeded that of the previous year by Rs. 3,92,550, the budget estimate by 4·34 lakhs and the revised estimate by 2·30 lakhs. The increase is due chiefly to Land Revenue (·30), Salt (·10), Customs (2·09), Law and Justice (·42), Education (·07), Temples and Ootupuraks (·39), and Public Works (1·57). Of these increases that under Customs is no real increase, the year including the whole payment of 1·01 due under the Interportal Convention for 1072 as well as that for 1073: that under Public Works is due to the adjustment of accounts still in progress; the remainder were genuine developments. A fall occurred under Stamps (·09), Abkári (·14), Opium (·10), Forest (·17), and Interest (·66). The reasons have been explained in the review and the report: under interest the apparent fall is only nominal, and is due to collections in 1072 of arrears due in previous years.

It is thus clear that the large apparent increase in revenue is one chiefly in accounts: the regular sources of revenue only show a moderate rise, balanced in several cases by an appreciable fall, *e.g.*, the rise in Land Revenue and Salt is exactly balanced by the fall in Opium, Tobacco, Abkári, Stamps and Forests; it is the great increase in Law and Justice which gives the true surplus, an increase hardly likely to be maintained and not altogether satisfactory; the rise under temples may be permanent, but is hardly a rise in true State revenue.

43. *Expenditure.*—The actual expenditure of the year excluding debt heads exceeded that of the previous year by Rs. 4,57,914, the budget estimate by 3·11 lakhs and the revised estimate by 2·35 lakhs. This excess was caused by increased expenditure under the following heads:—Land Revenue (·09), Palace (·04), Salt (·19), Forest (·05), Post office (·01), Huzur Cutcherry (·22), Law and Justice (·10), Jail (·07), Police (·04), Education (·08), Religious (·76), Charities (·51), Medical (·25), Sanitary conservancy (·06), Pension (·07), Public Works (·98), Miscellaneous (·38). Here again it will be seen that much of the actual rise in receipts was balanced by a rise, partly permanent, in expenditure under the same heads, *e.g.*, under Land Revenue, Salt, Huzur Cutcherry, Law and Justice. Owing to the account adjustment process now in progress it is difficult to arrive at a true statement of normal revenue and expenditure: it will be well to take careful stock and draw out a clear balance sheet.

The immensely increased apparent expenditure under Public Works, Religious, and Charities was due to the adjustment of bills appertaining to former years. The other variations are duly accounted for in the report.

44. *The Balance and Financial Position.*—The opening balance of Rs. 7,99,178 added to gross receipts and decreased by gross expenditure leaves a closing balance of Rs. 8,56,900, excluding Government promissory notes.

The financial condition of the State and its entire transactions during the year are as follow:—

	Rs.
Opening balance including investments	44,61,273
Total gross receipts	34,13,824
Grand Total ..	78,75,112
Total gross expenditure	33,56,112
Closing balance ..	45,19,000

The closing balance standing to the credit of the State is, however, stated to be Rs. 46,19,000 in the report: the excess or difference of 1 lakh is not explained or accounted for.

Of the 46 lakhs 3·35 are held in the Sirkar treasuries, 5 lakhs are as deposits in Banks and 37·62 lakhs are in Government of India promissory notes. No credit, however, is taken for "goods," whereas in goods intended for immediate sale, *e.g.*, salt, stamps, timber at depots, paddy, &c., there must have been the value of several lakhs.

Revised Estimate for 1074.

45. *General.*—The revised estimates for 1074 are based on the actuals of 1073 and the first seven months of 1074. The gross receipts and expenditure are estimated at Rs. 37,15,157 and Rs. 36,22,239 against Rs. 25,58,357 and Rs. 28,81,109, respectively, in the original budget.

46. *Receipts.*—Excluding debt heads which amount to 7·12 lakhs, and sales of Government promissory notes amounting to 7 lakhs, the receipts are estimated at Rs. 23,03,157 which is Rs. 2,25,900 above the budget amount. The increase in receipts occurs under Land Revenue (·10), Opium (·02), Forest (·20), Registration (·02), Law and Justice (·13), Temples and Oottupurahs (·17), and Public Works (1·82). The decrease occurs under Stamps (·17), and Abkári (·10). Under Public Works the increase is, as in 1073, nominal, consisting of departmental refunds counterbalanced by increased issues both occurring merely as adjustments of old accounts.

47. *Expenditure.*—Excluding debt heads (6·57 lakhs) and the costs of railway construction, the charges are now estimated at Rs. 22,65,239 against Rs. 19,06,169 in the original budget. The excess of Rs. 3,59,130 results from increased charges provided under Land Revenue (·11), Palace (·08), Salt (·13), Stamps (·08), Huzur Cutcherry (·02), Police (·02), Religious (·27) Charities (·13) Medical (·08), Sanitation and Conservancy (·06), Public Works (2·50), and Miscellaneous (·29). The increase under charities is due to a portion of the expenditure of 1073 being brought to account only in 1074: that under Public Works is explained above "Receipts." A special provision of seven lakhs is made for railway construction in 1074, but will hardly be worked out. A decrease of charges is expected to occur under Registration, Education, Stationery (each ·01), and Military (·08), the latter being due to a proposed reorganization in 1075.

48. *Balance.*—After the gross transactions the year is expected to close with a balance of Rs. 9,49,818. Excluding debt head transactions, the sale of promissory notes, and the expenditure on railway construction, the net receipts would be 23·03 lakhs and net expenditure 22·65 lakhs and the probable surplus ·38 lakhs.

The Budget Estimate of 1075.

49. *General.*—The opening balance is expected to be Rs. 9,49,818, the gross receipts Rs. 39,05,307, the gross expenditure Rs. 41,64,739 and the closing balance, excluding Government promissory notes, Rs. 6,90,386. Gross receipts include, however, 6·4 lakhs under debt heads, and 12 lakhs by sale of promissory notes, while the above estimated gross expenditure includes 6·25 lakhs under debt heads and 16 lakhs provided for the construction of the railway.

50. *Receipts.*—Excluding debt heads and sale of Government promissory notes the estimated receipts are Rs. 20·65 lakhs, *i.e.*, 3·92 lakhs less than the actuals of 1073 and 2·37 lakhs less than the revised estimate of 1074. Comparison however is useless, since, as pointed out, the figures of 1073 and 1074 are anomalous owing to the adjustment of accounts now in progress. A fall in actual receipts is budgeted for however in Abkári, Opium and Bhang, Interest due to sale of Government promissory notes and withdrawals from Bank to provide funds for the railway, and miscellaneous: but the forecasts are admittedly rough estimates under several of these heads. Enhanced receipts are expected under Stamps, Forest, Registration, and Law and Justice, while other main sources of revenue are kept at or near the revised estimates of 1074. Under Forests there should be a considerable rise, since there will be a heavy demand for railway sleepers which ought to be supplied from the State forests.

51. *Expenditure.*—The charges are estimated at 19·39 lakhs excluding debt heads and railway expenditure. Decrease in the estimated charges occurs under the heads, Salt (·08), Stamps (·09), Huzur Cutcherry (·09), Education (·03), Religious (·23), Charities (·10), Medical (·07), Sanitation (·05), Stationery and Printing (·05), Public Works (2·50), and Miscellaneous (·30). The decrease under Public Works is chiefly nominal, the normal allotment of 3·5 being made, with full allotment for communications. Increase occurs under Land Revenue (·13), on account of the Survey and temporary establishments and increment to Revenue Officers, Forest (·02), Law and Justice (·21) on account of the new scheme of fixed salaries for process-servers and increment to the First Judge of the Appeal Court. In other respects the budget estimate of 1075 repeats the figures of the revised estimate of 1074.

52. *Balance.*—The year is expected to close with a balance of Rs. 6,90,386 excluding promissory notes. Excluding debt head transactions, sale of Government promissory notes and the expenditure on railway the net receipts will be 20·65 lakhs; expenditure 19·39; and the probable surplus 1·25 lakhs. The budget makes provision for all necessary and progressive measures, and may be accepted.

Accounts.

53. In paragraphs 308–321, the Diwan records at length the important work done in the revision of the State accounts and in bringing them into system and order.

Paragraph 320 is especially interesting as giving some idea of the extraordinary absence of system, and disregard of what system there was, which prevailed, as also obvious reasons why old accounts should be brought up to date and fully adjusted as a starting point for real system. As an example I may state that one single officer is said to have [illegible]anded enough money from Sirkar funds in his hands for a series of years, to pay [illegible]hole salary of the special British officer for the two years of his deputation.

The special office[illegible] M.R.Ry. Swaminatha Aiyar, lent by the British Government, not only organised the complete examination of the old accounts but has re-constituted and instructed the Huzur Treasury established and educated an Audit department hitherto non-existent, and has drafted and issued—or nearly so—a complete set of account codes for all departments. His work, however, belongs largely to the current year, 1074, at the close of which the deputation of this officer expires; I, therefore, reserve detailed remarks till later, contenting myself with recording the opinion that the work in progress was of the first importance and has been done in first class manner by M.R.Ry. Swaminatha Aiyar.

General.

54. The State progressed in revenue and administration, and while perfection may be distant, the foundations of further solid adminis[illegible]tion were laid.