No. 279. Read the following Proceedings of the Court of Wards, dated 3rd October 1873, No. 2,009 :—

Read again Proceedings of Government, Revenue Department, dated 13th June 1871, No. 1,042.
" " " " " 23rd May 1873, " 529.
" " " " " 14th August " " 850.

Read also the following letters :—

From W. McQUHAE, Esq., Collector of Madura, to H. E. STOKES, Esq., Acting Secretary to the Court of Wards, dated 26th August 1873, No. 18.

With reference to the Proceedings of the Court of Wards, dated 16th July 1873, No. 1,299, I have the honour to submit copy of a letter from Mr. Boyle, dated 15th August, No. 15, supplying all the information available regarding the money taken out of the Chuttrum funds by the late Zemindar of Ramnad.

2. Mr. Boyle is probably wrong in the views expressed in paragraphs 12 and 13, but there can be no question as to the propriety of repaying this money, if the Court of Wards can make the payment with safety. As a breach of trust, the Court have advice that the money could not be legally recovered from the Estate, and the title to the Estate is under litigation, but practically if the suit for the Zemindari fails, there will be no danger in making the payment. When I addressed the Court before, I was looking merely at their legal position which is one of some difficulty with regard to this misappropriation, but on further consideration, I think the payment may be safely made if the Minor's title is established.

Enclosure No. 1.

From J. A. BOYLE, Esq., Acting Special Assistant Collector, Ramnad, to W. McQUHAE, Esq., Collector of Madura, dated Kalakarai, 15th August 1873, No. 15.

In a recent letter to the Court of Wards, you reported that a sum of Rupees 21,419-12-10 was due from the Estate of the late Zemindar to the fund of Chuttrums, and you recommended that the sum be written off the Accounts as irrecoverable, on the ground that the Law Officers of Government had expressed an opinion that the debt was not legally chargeable to the Estate.

2. The Board, in their Proceedings, replied that the items of the sum which you mentioned were not before them ; and desired that further information should be furnished when the nature of these liabilities had been made clear. I beg now to submit a detailed statement of the items which go to make up the sum of Rupees 21,419-12-10, mentioned by you, and to explain the process by which this liability has been incurred. I think I may say that the sources of information have now been exhausted. The voluminous Accounts, notwithstanding their confusion, have been carefully ransacked ; and the result has been the preparation of an epitome of the financial transactions which took place between 1847 and June 1869 in the Chuttrum Department. My Sheristadar tells me that the Head Accountant, with four Assistants, has devoted a week to the examination of these Accounts, and we may therefore, I think, believe that we now know all that can be known.

3. Mr. Lee-Warner in a previous letter on this subject gave you a sketch of the system or want of system on which the Chuttrum funds were administered.

4. The late Zemindar treated the Chuttrum funds as a separate branch of his personal income, chargeable indeed with the up-keep of certain buildings and establishments ; but which,

after the performance of that first obligation, were available for the relief of his own necessities, and the supplementing of his private purse.

5. All the money, both from the Estate lands and the Chuttrum lands was collected by one and the same agency, the Tahsildars, and paid into one and the same Treasury. The Accounts were kept indeed by a separate officer, but that was considered to be a mere matter of convenience; and the Sheristadar was obliged to obey orders in disposing of the funds under his charge.

6. Thus the money was all worked together, and when the Estate funds were low, the Zemindar's hand was dipped into the Chuttrum purse with the intention, often fulfilled, of repaying the money when better times come. The intention was, I say, often fulfilled, and this is clear from the simple fact that while between 1847 and 1869 the total loans drawn from the Chuttrum funds aggregated Rupees 2,12,945, the Estate only owes now one-tenth of that sum.

7. Thus it is manifest that accounts were constantly squared or nearly squared; and though it is easy to be indignant at the utter confusion of business, and the loose ideas of *meum* and *tuum* which these transactions disclose, it may well be wondered that, in the absence of all control and in the face of constant deficit, the misappropriations of Chuttrum money have not been greater then they were.

8. No doubt the money must be repaid. No wonder the Board revolted from the doctrine of the law officers of the Government that the fraud of the late Zemindar exonerates his successor, and us who administer for him, from restoring the funds to their legitimate purpose. The sum due is not large, and we may now feel certain that we know the worst.

9. The total debt amounts to—

	RS.	A.	P.
1 for money taken, 1847 to 1869...	21,419	12	10
2 " " " 1869 to 1872...	2,978	10	0
Total ...	24,398	6	10

you will observe that the various expenditure of money taken from the Chuttrum funds has been arranged in the annexed Account under different heads, without however particularizing the items under each head, as they from time to time accrued.

10. Thus the total amount is given, which was taken to supplement the deficiency of collections for the Peshcush; and for this purpose considerably more than half of the whole sum abstracted was taken. The other items might all be classed as private expenses; but for clearness they have been described as fully as possible as Payments to servants, Law charges, Palace repairs, or Household charges, as the case may be. So long as we know that the money was taken from Chuttrum funds, and was not spent on Chuttrums, it matters very little on what it was spent. But the Clerks who searched the Accounts have classified the payments with reference to the purposes for which they were made.

11. In a similar way the details of the further sum reported to have been abstracted in Mr. Lee-Warner's letter were fully given by him.

12. Such being the nature of these transactions with the Chuttrum funds, it remains to decide what place this claim against the Estate shall take in the future. The Law Officers could scarcely have decided that the Estate was not liable to the repayment of this borrowed money, had they known that considerably more than one half the whole sum was borrowed to meet the Government claim for Peshcush, as it from time to time became due.

13. This was undoubtedly so, and being so, renders the claim of the Chuttrums as good as that of the Chetties and others who advanced money for the same purpose. Nor is it possible now so to separate the total amount item by item as to discover whether the debt of Rupees 24,000 still due was incurred for the payment of Peshcush only, or for that and other purposes. Certainly it is fair to say that from 12,000 to 15,000 of it were so spent, and the Chuttrum funds are, there-

Proceedings of the Madras Government, Revenue Department,
27th October 1873.

fore, entitled to the immediate return of that sum no less than are the Chetties who made similar advances. It can scarcely be seriously argued by Law Officers or any body else that this loan is not to be discharged because it was an involuntary loan, (a "benevolence" the Stuarts would have called it); while the Chetties' loans are to be scrupulously repaid at once. As I say, more than half the money was taken to pay the Government Peshcush.

14. I am told that the Chuttrums are in great need of money. Their income having been misappropriated for some years, the buildings have been much neglected and require immediate repairs.

15. The present condition of the Chuttrum funds is illustrated by these figures.

	RS.
Probable income Fasli 1283 ...'	37,320
Reduced expenditure as per budget...	32,626
Balance in hand...	4,694

That does not leave much money for expenditure on repairs; and it is therefore desirable that the abstracted funds should be replaced with no more delay than the general interests of the Estate render unavoidable.

16. At all events let the Chuttrums be treated no worse than the Chetties, and receive the money that was taken *bona fide* for payments of Peshcush.

17. As the Board say, the Estate will no doubt recover and be freed from these and other liabilities; but are we in the future to look forward to a renewal of such transactions? Precisely a similar fate is in store for these Chuttrum funds, if they are again entrusted to the uncontrolled management of an interested, irresponsible and often needy family. Why should they not be vested in the Local Fund Board, under Section 11 of the Local Fund Act, and managed as public endowments by Officers responsible to that Board and its President?

(True Copy.)

(Signed) W. McQUHAE,
Collector.

ENCLOSURE No. 1 in No. 1.

Detailed Statement showing the loans due by the late Zemindar to the Chuttrum funds.

Particulars.	Amount. RS.	A.	P.	Total. RS.	A.	P.
1. Peishcush paid to Government	1,26,452	11	3			
2. Pay of the private servants of the Zemindars	28,154	4	4			
3. Charges on account of the Navarathri Festivals ...	4,206	12	8			
4. Do. on account of the Zemindar's maintenance, etc.	25,380	8	8			
5. Law Charges	4,518	6	11			
6. Pay of the Ain Establishment	10,537	11	11			
7. Sums paid into the Bokoosham or private Treasury of the Zemindar	8,100	0	0			
8. Repairing the Palace, etc.	2,926	5	8			
9. Presents by the Zemindar	1,673	0	0			
10. Charges incurred in making supplies to the Zemindar on Circuit	996	0	0			
				2,12,945	13	5
Deduct payments to the Chuttrums from July 1848 to June 1869	1,96,454	11	4			
				1,96,454	11	4
Balance...				16,491	2	1

Detailed Statement showing the loans due by the late Zemindar to the Chuttrum funds.—
(Concluded.)

Particulars.	Amount.	Total.
	RS. A. P.	RS. A. P.
Interest due on the loans up to June 1869 at 6 per cent. (after deducting the interest on the payments made)...	3,279 9 0	3,279 9 0
Totals as per the Statements given to Mr. Bliss	... ...	19,770 11 1
Add further interest on the principal Rupees 16,491-2-1 up to February 1873	... ...	1,649 1 9
Total as entered in the Collector's letter embodied in the Board's Proceedings, dated 16th July 1873, No. 1,299.	.. ..	21,419 12 10
Subsequent debts contracted by the late Zemindar from Chuttrum fund as explained in Mr. Lee-Warner's letter No. 162, dated 21st July 1873	2,900 5 1	
Interest for the same from the 19th February 1873 to 31st July 1873, at 6 per cent.	78 4 11	
Total...	... ...	2,978 10 0
Grand Total...	... ...	24,398 6 10

(Signed) J. A. BOYLE,
Acting Special Assistant Collector.

(True Copy.)

(Signed) W. McQUHAE,
Collector.

From W. McQUHAE, Esq., Collector of Madura, to H. E. STOKES, Esq., Acting Secretary to the Court of Wards, dated 26th August 1873, No. 19.

I HAVE the honour to submit the report* made by Mr. Lee-Warner with reference to paragraph 7 of the Proceedings of the Court of Wards, dated 4th April 1873, No. 529, regarding money owed by the late Zemindar of Ramnad to the Devastanam funds. The total amount is Rupees 9,044-11-0, and this should be dealt with in the same way as the debt to the Chuttrum funds reported on in my letter, dated 26th instant, No. 18.

* Copy dated 21st July 1873, No. 162.

ENCLOSURE No. 1.

From J. LEE-WARNER, Esq., Special Assistant Collector, Ramnad, to W. McQUHAE, Esq., Collector and Agent to the Court of Wards, dated Madura, 21st July 1873, No. 162.

I HAVE the honour to submit the report called for in paragraph 7 of the Order, in the Proceedings of the Court of Wards, No. 529, dated 4th April 1873. The late Zemindar seems to have regarded the funds of both institutions as convenient banking officers on which to draw when he was pressed for money. The Cashiers being his own servants, and drawing a portion of their salaries from other departments, did not dispute the drafts, which were also so skilfully prepared as in great measure to hide the real baseness of the transaction.

2. It seems by your letter No. 346, dated 22nd February 1873, that debt No. 11 in Mr. Bliss' report has been reduced to the sum of Rupees 16,491-2-1.* To this must now be added,—(1) Rupees 657-6-5 being batta of [illegible]ndants, and feeding charges of elephants, horses, etc., taken in May of last year, to meet the [illegible]nor of Ceylon in proper state at Devipatam, and improperly charged as the "proportional share" of these funds; (2) a similar sum of Rupees 632-14-8 being the "proportional amount of expense" incurred in the first trip to Madura in October; (3) an unadjusted item of 1,600 Rupees entered in the Chuttrum Chittah of the 19th February of this year which probably refers to the expenses of the second Madura trip, though this has not been stated; making the whole present debt Rupees 19,391-7-2† without any account of interest. I have said nothing of the recovery of any part of the cost of the enormous establishment appointed to supervise the institution, as they may assert, that it was all required to do the work; and I don't know if any or what degree of negligence in this respect would constitute a ground for recovering from the late Zemindar's heirs.

* This is not correct, and it ought to be Rupees 21,419-12-10.

† It ought to be Rupees 24,320-1-4.

3. With regard to the Devastanams, the Sheristadar Moottoo Kumaru Pillai has submitted an Account shewing a balance of Rupees 9,044-11-0 due to the institution from the late Zemindar. The first item, as in the Chuttrums, is composed of expense of batta, feeding charges of horses, etc., incurred by late Zemindar in two trips, the first taken for his own delectation to Tiroopalany; the second to Madura on account of the suit. The second item is the money value of fowls and cattle presented to the Temple of Nynarcovil at the annual feast in Vyasi by the Pilgrims which were conveyed to the palace at Ramnad, no adjustment of their price having yet taken place between the Palace and the Pagoda. This item includes the small amount entered last but one in my list of debts accompanying letter, No. 151, dated 14th July 1873. The fourth item is a most scandalous misapplication of trust money, extending over a period of time from February 1865 to December 1870. It appears that the Zemindar took upon himself to supply the cloths annually used in all the Pagodas to wrap the idols, etc., receiving from the Pagoda funds the necessary advances to make the purchases in Ramnad. Unfortunately he forgot either to return the money or to send the cloths. The Sheristadar states that he wrote from time to time no less than twenty-eight yadasts on the subject, always receiving the same reply from the Head Clerk, Iyacannoo Pillay to credit the amount to "the purchase of elephants." The third item is the Devastanam share of remitting 500£ to Messrs Gregory, reported on in my letter No. 80, dated 14th May 1873, and also entered in my list of debts abovementioned. The fifth item is a misapplication of the funds of various Pagodas to petty payments of a personal and private nature, ordered to be properly charged in the General Devastanam Accounts by the late Zemindar himself in 1871. The payments commence in July 1868, and extend over a period of time up to September of 1871. There may be many similar items scattered here and there in the various Accounts, which are kept in each Pagoda, but these are the only sums for which the Devastanam [illegible]adar urges immediate payment.

4. Before closing my report, I must mention in detail what has occurred about the purchase of elephants for the use of the Pagodas, as no story could be more instructive to show how the funds were regarded by the late Zemindar. In November and December of 1865 two elephants and three bullocks belonging to the Zemindar were made over to the Devastanams, as they were becoming very feeble from excessive age, and the Devastanam Sheristadar was ordered to pay to Manoverty the sum of Rupees 5,185, as their price. The money was not paid immediately, as the Devastanam's funds had been very low for many years, and the feeding charges of these expensive animals suddenly thrown upon them was not likely to help them. One of these elephants died on the 3rd December 1869, and was immediately replaced by another purchased from some Cabul Traders for 800 Rupees. The same traders were also able to effect another bargain at the same time; for a new elephant costing 1,000 Rupees was sent to one of the Pagodas, hitherto unsupplied with an elephant. The order to Devastanam to pay 1,800 Rupees is dated 13th April 1870.

It is not known exactly what the Zemindar gained by this saction, tran but it is rumoured that while the Devastanam's gained two elephants, and the Cabullies 1,800 Rupees, a new horse, and a Palanquin found their way to the palace. On the 20th June 1871 the Devastanam Chittah is charged with 1,000 Rupees, on account of the purchase of an elephant, and there are two orders by the late Zemindar, dated January 31st and March 25th of 1872 again demanding the balance due on account of elephants being Rupees 5,985, deducting the 1,000 Rupees already received. Only 1,631 Rupees were paid in obedience to these orders, as there were no more funds available. But in July the late Zemindar found it necessary to exchange the fine old elephant at Tiroopalany (the remaining one of those given over to the institution in 1865, when it was valued at Rupees 2,500) for a small elephant, which cannot have cost much more than 400 Rupees. There is on record in the Devastanam registers, how much the traders gave for the exchange ; for the Zemindar treated the matter as his own entirely. At any rate no money found its way to the Devastanam Chittah. As if to complete the catastrophe, the new elephant died almost immediately afterwards. According to the Zemindar's order of 1872 therefore he ought to receive Rupees 4,344, the balance of money advanced by him for the purchase of the two new elephants and the delivery of two old ones ; but the Sheristadar tells us that the elephants were always kept at the place, and treated as the private property of the Zemindar, who only lent them out to add splendour to the principal Car festivals, when he himself could be present. It would not be using violent language to say, that the whole transaction between the Zemindar and the funds and the elephants has been a swindle from 1865 to 1872, when the elephants, or their representatives, both died. It is the price of these elephants which has always been thrown in the teeth of the Sheristadar when he applied for a refund of the value of the pilgrims gifts to Nynarcovil temple taken to the palace.

5. I have only further to add, that a sum of 5,000 Rupees was charged to the funds by an order of 2nd November 1869, being the Zemindar's donation to the Madura Lying-in-Hospital, and a still larger sum of Rupees 11,797 being cost of building a new Pagoda outside Ramnad, and in no way attached to the Devastanams, both orders being written the same day, and that day being the time of Mr. Bliss' arrival on the estate. The Sheristadar has not included these two items in his list.

(True Copy.)

(Signed) W. McQUHAE,
Collector.

ENCLOSURE 1 in No. 1.

Statement showing the debts due to Devastanam from the late Zemindar of Ramnad.

Number.	The purpose for which the debt was incurred.	Amount.			Remarks.
		RS.	A.	P.	
1	Devastanam money taken for payment of batta and other expenses	990	1	8	
2	The price of cattle belonging to Nynarcovil Pagoda taken by the Zemindar	928	6	10	
3	Sums advanced from Devastanam funds for the conduct of the Rameswaram appeal in England	2,750	1	2	
4	Money taken for the purchase of silk and other cloths for Devastanam...	3,245	12	8	
5	Devastanam money used for Ain expenses	1,130	4	8	
	Total...	9,044	11	0	

MADURA,
26th August 1873.

(Signed) J. LEE-WARNER,
Special Assistant Collector.

(Signed) W. McQUHAE, Collector.

THE Court of Wards resolve to submit the reports of Messrs. Lee-Warner and Boyle to Government with the recommendation that the opinion of the Law Officers be again requested as to whether the debts therein referred to are or are not to be held chargeable to the estate.

2. In Mr. Bliss' report, dated 3rd March 1870, a sum of Rupees 42,549-11-0 is entered as due to the Chuttrum funds by the late Zemindar. Mr. Bliss could not ascertain the special uses to which this sum had been put. The Law Officers to whom the list of creditors was submitted, advised that this item representing a breach of trust could be no charge against the estate.

3. The Collector reported on the 4th March 1873, an item of Rupees 21,419-12-10 among the debts of the late Zemindar ; and Government asked the opinion of their Law Officers on the correctness of the classification of the debts. That opinion did not discuss those items which had been reported on in the previous reference on Mr. Bliss' report.

4. The Collector requested leave to write off the amount due under the head of debt to Chuttrums, but the Court required further information which is before them now in the letters above printed.

5. Mr. Lee-Warner reports that a sum of Rupees 9,044-11-0 is due to Devastanam funds. Of this amount Rupees 2,750-1-2 represents costs incurred in England in prosecuting the appeal in the Rameswaram case and may have been wholly or in part fairly chargeable. The remainder Rupees 6,294-9-10 has been from time to time misappropriated, diverted to the Zemindar's private use, and the transaction completed by false entries in the accounts. Mr. Boyle reports that a balance of Rupees 24,398-6-10 is due to the Chuttrum funds. All receipts on account of Chuttrum funds were paid into the Zemindar's treasury and used for the general purposes of the estate including the payment of peshcush : thus a running account was kept, a balance was struck from time to time and the deficit is not very large considering the magnitude of the transactions. Of course but for a radically wrong method of carrying on business no balance could ever have existed.

7. The Court feel that the Estate is morally liable for both these debts to a much greater degree than it is for loans contracted by the late Zemindar from private individuals, and therefore desire a further reference to the Law Officers.

8. The Zemindar in virtue of his position was vested with the charge of these choultries and Devastanams. He received their revenues, and provided for their expenses, and freely borrowed from their funds to meet his own necessities. The institutions were managed by his own servants, their funds were kept in his Treasury and he had complete control over those funds. Private individuals who made loans to him did so at their own pleasure on their own terms, receiving consideration for the risk they ran. The Chuttrum and Devastanam establishments could not refuse and could take no security for re-payment.

9. The Zemindar exercised this complete control over the institutions solely in virtue of his position as Zemindar. It is urged that although tenure of the estate conferred the power to divert these funds from their proper uses, the estate cannot be held liable to re-place the sums misappropriated.

No. 280. ORDER THEREON, 27th October 1873, No. 1,190.

Miscellaneous.

ORDERED accordingly that these papers be referred to the law-officers for their opinion as desired by the Board of Revenue.

(True Extract.)

(Signed) R. A. DALYELL,
Acting Secretary to Government.

To the Government Solicitor.
,, the Government Pleader.
,, the Court of Wards.

Exd. F. R. Bantleman.

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(True Copies and Extract.)

A. Goodwin

Acting Sub-Secretary.

To the Acting Secretary to Government, Revenue Department.

Copy to the Collector of Madura.

Exd. G. A. Turton.

Revenue 1873 Dept
No 3259

1873.

Court of Wards,

MADRAS.

PROCEEDINGS, 3RD OCTOBER 1873, No. 2,009.

Dept 30 Oct 73.

Encl.

Received 15th Octr 73

OCTOBER.

No. 2,009.

Debts due to certain Chuttrums—by late Zemindar of Ramnad, in Madura District.—Reports of Assistant Collectors Messrs. Lee-Warner and Boyle on — submitted to Government, with recommendation that opinion of Law Officers be again requested as to whether these debts are chargeable to the estate.

With Order
No 1190 — 27th Octr 73.

No 1190.

Sir

I am directed by the Board of Revenue to request that the opinion of Law Officers may be again requested as to whether the debts due to certain Chuttrums in Ramnad are chargeable to the estate.

I have &c
(Sd) W. Taylor
Secy to the Board of Revenue

27 Oct 73.

1873.

27 Oct 73.

1. To the Law Officers
2. Govt Madras } Dec 5 Nov 73.
3. Govt Madras
4. Court of Wards