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TAMIL NADU ARCHIVES

GOVERNMENT OF TAMIL NADU

Revenue DEPARTMENT

G.O. No. / B.P. No. 1380

Press. / Mis.

Dated 30.8.1878 197 .

Not to be folded or roughly handled

Archives I—5,806—24-2-78.

1380/1

GOVERNMENT OF MADRAS.

REVENUE DEPARTMENT.

30th August 1878, No. 1,380.

Read the following paper :—

No. 344. Proceedings of the Board of Revenue, dated 5th July 1878, No. 1,862.

Read the following letter from H. W. BLISS, Esq., Commissioner of Salt Revenue, to C. A. GALTON, Esq., Acting Secretary to the Board of Revenue, dated Madras, 7th June 1878, No. 225 :—

IN reply to the Board's Proceedings, No. 1,397, dated the 23rd May 1878, I have the honor to state that I apprehend no particular difficulty from the adoption of the course proposed by the Accountant-General with respect to the way in which advances made to salt ryots should be debited in the public accounts. Whether they are debited to "Advances recoverable," or at once charged off as expenditure, care will have to be taken that they are worked out, and it seems to me to be as easy to secure this under one system as under the other.

2. The course I think should be adopted is as follows :—

(1).—Payments to be at once charged to the proper head of service as soon as the lump sum from which they are to be made has been drawn.

(2).—As payments are made they should be entered in accounts Nos. 9 (Register of salt received and Kudivaram paid), and 10 (Kudivaram receipt); and the amounts of salt they represent should also be entered in these accounts but in red ink for the sake of distinction. The black ink (cash) entries would of course be final. The red ink ones would not be final, but would only be retained until balanced by entries of salt actually received when they should be erased after inspection and initial by the Salt Deputy Collector on his next inspection.

(3).—These entries in red ink should be carried forward into but separately shown in No. 17 and all subsequent accounts, both those retained in the Salt divisions and those forwarded to this office and to the Board. A glance will then at any time show how much salt is owed to Government by the manufacturers, which is the real point at issue; for under any system the money paid is gone, and it is not money but salt which has ordinarily to be recovered.

3. Under the present system if advances are not worked out and cannot be recovered under Section 52 of (Madras) Act II of 1864 they have to be written off to profit and loss. Under the system I now propose it will be the salt which has been paid for and not received which will have to be written off, but I do not know that this difference will cause any confusion. Of course if under the system proposed any advances not worked out are recovered under Section 52 of Act II of 1864 the recoveries will be credited to "Cash recoveries" instead of to "Advances recoverable" as is now done. But this again is unobjectionable.

SUBMITTED to Government with reference to their docket, dated 15th May 1878, forwarding for Board's remarks letter from Government of India, dated 30th April 1878, No. 213.

2. The Board are still of opinion that it is desirable that salt advances should be debited to advances recoverable, unless, in the event of the charges being debited to salt at once, the Accountant-General declines to admit the sums until receipts are produced of the quantities of salt received on account of the advances made. The Comptroller-General observes that th[illegible]ard are right in insisting on the necessity of checking the subsequent adjustme[illegible]his expenditure, but that this is a duty which must fall upon the Revenue [illegible] Account Department. The Board do not understand this statement. The a[illegible] payments for salt to the manufacturers consists in seeing that the amount paid [illegible]r the prescribed quantity of salt received into store, and this check is now exercised by the Accountant-General in regard to price paid after the delivery of salt. If the Account Department is to exercise this check in the case of money paid after the delivery of salt the Board fail to see why it should be relieved of this duty in the case of money paid in advance.

3. Should, however, it be decided that for the sake of uniformity advances should at once be debited to salt and treated as a final charge there is no insuperable objection to the measure being carried out. The Salt Commissioner will have to see that the advances are properly worked up.

4. The plan suggested by Mr. Bliss for checking the adjustment of advances does not, however, commend itself to the Board. According to his plan the entries in Statement No. 9 will have to be constantly altered which is not desirable. A ryot may receive an advance for 1,000 maunds of salt and deliver that quantity on five occasions; according to Mr. Bliss' plan the red ink figures 1,000 will have to be altered on five different occasions partly into red ink and partly into black ink entries which will be inconvenient. The best course would be to open separate columns in Statement No. 9 to show the amount of advances received by the ryot, and the quantity of salt delivered in adjustment thereof from time to time; quantities delivered for cash payments being denoted separately. This would avoid correction of entries once made, and when any portion of the balance remains unpaid it will have to be merely struck off the accounts with the permission of Government without alteration of the stock accounts. Statement No. 17 will require no alteration. It should only show the quantity actually received into store, but the Salt Commissioner may obtain from the divisions a separate account showing the advances made good by the delivery of salt and the amount remaining due at the end of each month.

(A true Copy and Extract.)

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

No. 345. ORDER THEREON, 30th August 1878, No. 1,380.

Separate Revenue, No. 44.
Salt.

HIS GRACE the Governor in Council has no objection to the adoption of the Accountant-General's suggestion, viz., that the advances made for the manufacture of salt should be charged directly to the Budget Grant under Salt instead of to "Advances Recoverable." Uniformity of accounting and departmental control and responsibility alike point in the direction of the proposed measure.

2. The responsibility of checking the subsequent adjustment of the advances certainly devolves upon the Salt Commissioner. The Board's method of giving effect to the measure has the entire approval of Government, and should be carried out.

1380/2

3. The Proceedings will be communicated [illegible] the Government of India with reference to their letter, dated 30th April 1878, [illegible] 213 F.D.

(True Extract.)

(Signed) C. G. MASTER,
Secretary to Government.

To the Board of Revenue.
„ the Commissioner of Salt Revenue.
„ the Accountant-General.
„ Old Financial Dept.

Exd. F. R. Bantleman.

C. N. 3070 of 1878

380/3

Revenue Department

Memo for orders.

Board's Proceedings dated 5th July 1878 No. 1862 on the subject of advances made to Salt Ryots.

Vide the correspondence recorded in Bd's Pros 23rd May 1878 No. 1397.

With reference to G. Os 14th March 1877 and 17th January 1878 Nos. 765 and 86 respectively, sanctioning the grant of advances to Salt ryots in Chingleput District, the Accountant General requested the Board of Revenue to instruct the Collector of Chingleput in view to his showing the amount of advances then unadjusted as well as future advances in the ordinary Kudivaram bills, i.e. to charge the

advanc

Uniformity of accounts and departmental control & responsibility alike point in the direction of the Gov. of India proposal. Govt. accept the arrangement & the Board advances to the Budget Grant of 'Salt', instead of to "advances recoverable." The Board however preferred the existing plan, and replied that if the advances were at once charged off to Salt, it would be difficult to check their subsequent adjustment and that it would also to a certain extent affect the utility of the Salt accounts in that the cost would bear no relation to the quantity of Salt manufactured.

The Accountant General then addressed the Comptroller General-Calcutta requesting him to obtain the orders of the Govt. of India as to whether the Madras Government might authorize these and similar advances not covered by the Financial Resolution of the

Method of giving effect to it.

G.O. 31st August 1877 No 2228 Fd.

Government of India dated 28th July 1877 No 2206 laying down general rules for advances of public money.

In referring the question for the orders of the Supreme Government, the Comptroller General opined that the advances to Salt ryots, like the advances of the Opium department, should be directly charged against the Budget Grant under Salt and solicited that this Government might be asked to modify accordingly the Board's decision. He further observed that the Board are quite right in insisting on the necessity of checking the subsequent adjustment of this expenditure and guarding against double payment and that this duty must, under any circumstances, devolve upon the Revenue, not the Account department.

In enquiring whether this Government has any objection to the adoption of the Accountant General's suggestion, the Supreme Government observed that the advances made for the manufacture of Salt in this Presidency should be, in accordance with analogous usage elsewhere, charged immediately off as expenditure, and that the suggestion appeared to them obviously proper, "it being a first principle of the Public Accounts that the record of transactions shall always be, as far as possible, immediate and final".

The Board now submit the Salt Commissioners remarks on the subject together with their own.

Circle the Current paper for disposal -

2

1380/5

Mr Bliss apprehends no particular difficulty from the adoption of the Course proposed by the Accountant-General, and remarks that under either system the most important thing which should be kept in view is that the advances are worked out; and this, he thinks, is as easy under one system as under the other. He however makes certain proposals to secure this end, which the Board disapprove and suggest other means which are evidently equally efficacious and less confusing.

I think that it is better; the responsibility devolves more directly on the Dept. and alone after all can see to this issue

The Board still prefer the present system of charging the advances to 'advances recoverable' unless, in the event of the charges being debited to Salt at once, the Accountant General declines to admit the same until receipts are produced of the quantities of salt received on account of the advances made". With reference to the Comptroller General's statement that the duty of checking the subsequent adjustment of the expenditure must devolve upon the Revenue Dept, the Board observe that if the Account Department is to exercise this check in the case of money paid after the delivery of salt, they fail to see why it should be relieved of this duty in the case of money paid in advance.

The Board however see no insuperable objection to adopting the Accountant General's suggestion, if its adoption be decided upon for the sake of uniformity, and

they would require the Salt Commissioner to see that the advances are properly worked out. As regards the checking the adjustment of advances, they would open separate columns in Statement No. 9 of the Salt Manual to show (1) the amount of advances received by the ryots and (2) the quantity of salt delivered in adjustment thereof from time to time; quantities delivered for cash payments being denoted separately. The Board's proposal seems unobjectionable while Mr Bliss' proposals in this respect seem open to the objections pointed out by the Board.

Clearly this is a Deptl duty & [illegible] be done which ever Dept. might have the Check.

As regards Statement 17, the Board observe that it needs no alteration; that it should only show the quantity actually received into store, but that the Salt Commissioner may obtain from the Divisions a separate account shewing the advances made good by the delivery of salt and the amount remaining due at the end of each month.

1380/7

O. 2070

C. R. 3070 of 1878

Madras for orders

Regarding advances [illegible] to Salt-ryots.

Sir W. Robinson

C 17-8-78
R 21-8-78
R 26-8-78
R 28-8-78

Salt

1380 Rev Dept.
8

No 1080

Proceedings of the Madras Government
Under date the 30 August 1878

Read the following Proceedings of the Board of Revenue dated 5th July 1878 No 1862.

His Grace the Governor in Council has no objection to the adoption of the Accountant General's suggestion viz: that the advances made for the manufacture of salt should be charged directly to the Budget Grant under Salt instead of to "advances recoverable." Uniformity of accounting and departmental control and responsibility, alike point in the direction of the proposed measure.

MR 27/8

2. The responsibility of

checking the subsequent adjustment of the advances certainly devolves upon the Sett. Commissioner. The Board's method of giving effect to the measure has the entire approval of Govt: and should be carried out.

3. The Proceedings will be communicated to the Govt. of India with reference to their letter dated 30th April 1878 No 213 F.D.

14 To the Board of Revenue on 7 Oct
1. the Commissioner of Settlement Do
1 the Accountant General Do
5 the Financial Dept on 4 Oct

10/11

1380/9

[illegible]

96

Advances made to Salt Ryots

Sir W. Robinson

C 26-8-78
R 28-8-78

No. 74

Comptroller Generals' Office
Calcutta the 8th April 1878

138/80

From

The Comptroller General

To

The Secretary to the Govt. of India
Financial Department

Sir,

I have the honor to submit, for the consideration and orders of Government, copy of a letter[*] from the Accountant General Madras with enclosures, relative to the course of adjustment followed in that Presidency in respect of advances made to Salt Ryots.-

[*] No. 13815 d/22d March 1878

2. The Accountant General Madras in conformity with the practice which prevails in the Account Department in respect of the adjustment of advances similar to those which are here referred to requested the Board of Revenue in that Presidency to authorize their exhibition in account directly under the service head of salt instead of retaining them under the Debt head of advances Recoverable- But the Board declined to accede to the recommendation of the Accountant General and directed that the practice of

adjusting them through the head of Advances Recoverable be continued as these advances like those of the Opium Department in Bengal, partake more of the nature anticipation service payments than of advances recoverable (by which is understood a payment to be actually recovered in cash and only made under rules approved by the Supreme Government as in Financial Resolution 2206 of 28th July 1877,) they should in my opinion, like the advances of the Opium Department, be directly charged against the Budget grant under salt and I solicit that the Madras Government may be asked to modify accordingly the decision of the Board in that Presidency.-

3 The Board are of course quite right in insisting on the necessity of checking the subsequent adjustment of this expenditure and guarding against double payments - This is however a duty which must under any circumstances devolve upon the Revenue not the Account Department. The Board need not alter the return they receive from their Collectors because the payment is charged at once to its appropriate head in the Treasury, and I do not see why they should have more difficulty (in) enforcing an effectual check than is experienced in the Opium Department of Bengal.-

I have &c

(Sd.) W. Waterfield

Offg: Comptroller General

Treasury
Account Dept.

No. 13815

1380/12

Fort Sent George
Accountant Generals' Office
22nd March 1878.

From

The Accountant General
to the Government of Madras

To

The Comptroller General
Calcutta.

Sir,

I have the honor to forward Copies of correspondence which has passed between this office and the Board of Revenue, on the subjects of advances made to Salt Ryots, and debided to "Advances Recoverable" instead to q "Salt", and to request that you will obtain the orders of the Govt. of India as to whether the Madras Government may authorize these and other advances over and above those for which subs are prescribed in the additions ordered as paras 18 (a) &ca to your Circular 199 by Circular 19.-

I have &ca
(Sd.) L. C. Probyn
Accountant General

Treasury
Account Dept.

No. 11049

Fort Saint George
Accountant General's Office
30th January 1878

From
The Accountant General
to the Government of Madras

To
The Secretary
Board of Revenue,

Sir,

With reference to G. O. No. 1059 dated 14th March 1877, sanctioning an advance of Rs. 25,704 to Salt Ryots, of which Rupees 19,063 has already been disbursed and charged to "Advances Recoverable" by the Collector of Chingleput, who has credited to that head the recoveries which has been effected up to December 1877, Amounting to Rs. 3631-6-", I have the honor to state that as it is undesirable to show these charges in the account otherwise than against the Budget grants, I propose transferring the unadjusted balance of Rs. 15,431-10-" to the debit of "9 Salt" to which head all advances that may hereafter be made under G. O. No. 86, 17th January 1878, Revenue Department, will be charged net, The Collector of Chingleput should be instructed to show the amount at present unadjusted as well as future advances in the Ordinary Kudivaram bills (regarding the check of which I addressed you in my No. 10933, dated 26th instant) in which it may perhaps be necessary to mark out and bring forward minus entries as the sums due for manufacturer's share, and the careful check of these statements which is now in contemplation will sufficiently provide for the adjustment of the monies paid in advance.-

I have &c.
(Sd.) L. C. Probyn
Accountant General

P. S.

I shall be glad to learn at an early date that the above proposal meets with the approval of the Board.-

(Initialled) L. C. P.

Revenue Department
No. 694
Proceedings of the Board of Revenue
dated 14th March 1878

Read letter from the Accountant General, dated 30th January 1878 No. 11,049 proposing the transfer of the unadjusted balance of Rs. 15,431-10-- advanced to Salt Ryots and debited to advances recoverable to the debit of "9 Salt" and asking to instruct the Collector of Chingleput to shew the same and similar advances in future in the ordinary Kudivaram bills.-

The Board do not think it desirable to charge the advances made to Salt Ryots against the Budget charges and they prefer the existing plan of charging them to advances recoverable. If they are at once charged off to Salt, it will be difficult to check their subsequent adjustment and it will also to a certain extent affect the utility of the salt Accounts in that the cost will bear no relation to the quantity of Salt manufactured.-

(True Extract)
(Sd.) C. A. Galton,
Ag. Secretary

To
The Accountant General

Proceeding of the Madras Government Revenue Department 14th March 1877.

No. 417

Read the following proceedings of the Board of Revenue, dated 7th March 1877, No. 1069

Read the following letter from R. W. Barlow, Esqre Collector of the Chengleput District to H. E. Stokes, Esqre Secretary to the Board of Revenue, dated 28th February 1877, No. 141.-

I have the honor to forward for the favorable consideration of the Board and Government, copy of a letter dated the 17th instant, No. 61 from the Deputy Collector in charge of the Salt Department recommending that advances, amounting to Rupees 25,704 may be allowed to the Salt manufacturers of the various divisions in this district for next year, and that the Kudwaram be increased as a special case this year, by Rs 2 per garce in consideration of the high prices necessitating higher wages to the Salt coolies -

2. Advances, similar those proposed above were

were granted in G. O's No 3208, and 1358, dated respectively the 30th December 1868 and 23rd October 1874, and the Salt Depy Collector thinks that the additional cost of Government involved in the second proposal will be about Rupees 26,000. The exceptionally unfavorable nature of the season, and the general failure of crops, and the consequent great diſtreſs prevailing in the district, are so well known to the Board and Government that it is unneceſsary to comment further on the subject.-

3 Soliciting the favor of early orders.-

I have &c

Enclosure No 1

From, D. V. Narasinga Row Deputy Collector in charge of Salt, to R. W. Barlow, Esqre Collector of the Chingleput District, dated Madras, 17th February 1877, No 61.

With reference to your endorsement, dated 10th instant, on the petition (herewith returned) of the salt manufacturers of the Northern Division, dated 29th January 1877, I beg to state that, as you are well aware of the state of the season, the failure of crops, and the diſtreſs existing among the poor for want of sufficient food, I think it is unneceſsary for me to explain why the manufacturers solicit an increase of Kudwaram, and the grant of advances to them to facilitate the manufacture of salt. Irrespective of this, the Ennore and Pulicat bars being closed, there is a greater difficulty now than in last year to proceed with the manufacture. The manufacturers of Northern Divisions have, however, already prepared 760 pans more than last year, and salt will be produced shortly in some of the pans; but the supply of water being very scarce, I have addreſsed you separately on the measures to be adopted to supplement the same, If we had a good fall of rain, or the bars had opened freely matters would have been more favorable and there would have been no neceſsity to make advance to the ryots or to increase the Kudwaram. As there has been no change in the season, I recommend that you will be good enough to obtain the sanction of Government for an advance of Rupees 25,704 to be distributed to the manufacturers in all divisions. I would propose the distribution to be made as follows: at 6 Rupees per pan actually under work in the Northern Divisions; at 12 Rupees per pan in the Covelong and Summengery Division for these latter pans are double the size of those in the Northern Divisions — and at Rupees 20 per pan for the Cheyur Division, the size of the pans here being the largest, and the system of the manufacture ~~being the largest, and the system of the manufacture~~ being different from that followed in the other division. The petition presented to me by the manufacturers of the Cheyur Division on the above subject is herewith submitted.—

2. G. O. dated 23rd October 1874, No. 1358 sanctions an advance of Rupees 33,782 to the manufacturers both in the Northern and Southern Divisions, but, according to the instructions laid down in your letter, dated 4th November 1874, No. 1699, I distributed, after proper inquiry in that year, Rupees 17,875-11-0 to the manufacturers of all the divisions, and the whole amount was recovered with the exception of a small balance of Rupees 54-8-0, which is left over in the case of some poor persons. The

advances

advances which I now recommend~~ing~~ to be made, can be recovered in the same manner if there should be no failure of manufacture otherwise it will have to be recovered in the Kudwaram of this, and the next year's manufacture. Moreover, as you have noted in your endorsement, the wages of labor have not increased but the people are weak for want of sufficient food. The actual salt manufacturers must be strong men to do hard work under exposure to the sun in the beds evaporating with salt; therefore the wages hitherto paid by the owners of the pans to the actual manufacturers as per margin* are not sufficient to maintain them, and consequently it is absolutely necessary to increase the wages of the manufacturers. Under these circumstances I beg to recommend that as a special case this year alone, the Kudivaram for each division be increased at the rate of Rupees 2 per garce. If 18,583 garce of salt is made according to the dittum or quantity of salt ordered to be made, the additional cost to Government will be Rupees 37,166. I think however, that not more than 13,000 garce can be produced

and

* Northern Division, Rs. 4 per man per month. At Covelong & Cheyar, Rs 3-8-- per man, per month Summengery Rs. 3 per man per month.

and in that case — — — — the cost will be Rupees 26,000-

3. I beg to annex a statement showing the wages to be paid to the actual manufacturers by the owners of the pans in the different divisions; the number of men employed for each set or sets of pans; the average quantity produced in each pan during the six months of the season; the cost of the labor exclusive of other charge; what additional wages will have to be paid to the actual manufaturers owing to the state of the season, and what saving there will be to the owner of the pans to meet other expenses if the Government are to sanction the additional Kudiwaram of Rupees 2 per garce recommended by me to be paid to the manufacturers.-

(True Copy)
(Sd.) R. W. Barlow,
Collector

Enclosure No. 2 - Statement.

The application for permission to make advances to the Salt manufacturers to the extent of Rupees 25,704 will be submitted for the favorable consideration of Government but the Board cannot support the proposal to raise the Kudiwaram, which the Salt Commissioner considers to be too high already. The statement submitted by the Deputy Collector shows that the bulk of the extra payment will go to the laborers, but the Board believe that as a rule, the owners of the pans in Chingleput take half the Kudiwaram, and there will be no security that the actual manufacturers will reap the benefit of the concession proposed.-

(True Copies and Extracts)
(Signed) C. A. Galton,
Sub Secretary

No. 418

Order thereon, 14th March 1877 No. 1059,

Separate Revenue
No. 14. Salt.

As recommended by the Board, the advances are sanctioned, and the suggestions for a temporary enhancement of the Kudiwaram declined.-

(True Extract)
(Sd.) F. D. Carmichael
Offg. Chief Secretary

Government of Madras
Revenue Department
17th January 1878 No. 86.

Read the following paper:-
No. 171, Proceedings of the Board of Revenue dated 10th January 1878, No. 80.

Read the following letter from E. G. Ricketts, Esqre Deputy Collector in charge of Salt to R. W. Barlow, Esqre, Collector of the Chingleput District, dated Madras, 21st December 1877 No. 757.

I have the honor to report that the [illegible] for the manufacture of Salt is now fast approching, and arrangements should speedily be made to proceed with the same as early as praticable, so that enough salt may be manufactured not only to meet our wants in making the supply equal to the demand, but also to enable us to reserve a stock in hand.

2. At present we have a very small quantity in store as shown in the margin. I understand that in this district the ryots sustained heavy loss [illegible] the late cyclone in [illegible]y last, which destroyed

×	Maunds
Madras ~~Cotture~~	52,580
Homes Garden	37,878.
Covelong	376,829.
Cheyour	283,163

× Dated 21st May 1877, Dated 22nd May 1877, recorded in the Boards Proceedings. dated 31st May 1877, No. 2513.

destroyed a very large quantity of Salt that had to be conveyed from the divisions to the Madras Cotaur as reported in this office letters of the dates noted in the margin:-

3. Subsequent to the cyclone every effort seemed to have been put forth to make more salt but to no effect, owing to the peculiar state of the season, failure of crops, and the consequent distreſs that existed among the poor on account of the famine.-

4. Prior to my aſsuming charge of this department two petitions (herewith returned) to [illegible] the northern and southern Salt Divisions of this district soliciting that advances should be made to them were forwarded to this office. The ryots of the northern divisions request an advance at the rate of 20 Rs for one set of pans and those of Coveloong for not leſs than 35 Rupees for one set of pans.-

5. From inquiry of some of the ryots, I understand that the grant of an advance though not to the extent solicited, is absolutely ne[illegible]sary, Personally, I am no advocate [illegible] the system of advance but looking to the great want of Salt at the Madras Cotaurs and elsewhere in this district, and the disastrous condition of the ryots, I beg to recommend that with a view to give an impetus to the manufacture you will be so good as to obtain the sanction of Government for the distribution of Rupees 30,660 as an advance among the Salt ryots in all divisions to be made as follows:- at the rate of 6 Rupees for one set of pans actually under work in the northern divisions, at 12 Rupees for one set of pans in the Coveloong and the Vad[illegible]gary [illegible], [illegible] 20 for Chayaur.-

Vide G. O. dt 14th March 1877, No 1057

6. A similar conceſsion was granted in the early part of the season by an advance of Rupees 25,704, on the understanding that it was to be recovered from the Kudivaram of this year if there should be no failure of manufacture, but it having proved otherwise only Rupees 1,195-14-0 of Rupees 16,627 disbursed were recovered, and the remaining advance of Rupees 15,431-10-" still remains unadjusted.-

7.- I would therefore recommend that the advance already made together with that now proposed may, if the season continues favorable, as it is now, be recovered from the Kudivaram of the next two years' manufacture.-

8 "

No. 7 " "

Submitted to the Board of Revenue for favorable consideration and early orders.-

2. Under the circumstances stated some help to salt ryots in the shape of advances is highly desirable, both in their own interests as well as those of Government.-

Sydapet
5th January 1878 } (Sd.) R. W. Barlow
Collector

Submitted for the favorable consideration of Government.-

2. The need for salt is so great that no risk of a short supply should be run, and the Board recommend the grant of the advance on the terms proposed on condition that the manufacture is commenced without delay.-

(A true copy and Extract)
(Signed) C. A. Galton,
Sub Secretary

No. 172

No. 172 Order thereon, 17th January 1878, No. 86
Separate Revenue
No. 22. Salt

"Sanctioned" (138/2)

(True Extract)
(Sd.) C. G. Master
Secretary to Government.-

(True Copy)

Registrar Financial Deptt

6/5.

No. 213.

1382/22

To,

The Chief Secretary to the Government of Madras

Financial Deptt.

Letter from the Comptroller No 74 dated 8 April /78 & enclosures

Sir,

In forwarding to you a copy of the accompanying papers, I am directed to enquire whether His Grace the Governor in Council has any objection to the adoption of the suggestion made by the Accountant General that advances made for the manufacture of Salt in the Madras Presidency should be in accordance with analogous usage elsewhere charged immediately off as Expenditure. The [illegible] appears to the Government of India obviously proper, it being a first principle of the public accounts that the record of transactions shall always be, as far as possible, immediate and final. —

I have the honor to be,
Sir,
Your most obedient Servant
R B Chapman
Secretary to the
Government of India

Simla,
the 30th April 1878

D.P. 30/4

Revenue 1878 Dept

No. 2064

From
The Government of India Fin. Dept
No. 213.

B 30-8-78 No. 1380

Dated 30th April } 1878
Recd: 16th May } 1878

17

Enclos: 1.

Forwarding copy of papers enquiring whether there is any objection to the adoption of the suggestion made by the Accountant General relative to advances made for the manufacture of salt in the Madras Presidency.

Referred to the Board of Revenue for remarks.

C. G. Master
Secy: to Govt.

Ootacamund
15 May 1878

17

Received 17
Entered & Returned 21 May 1878

C. A. Galton
Ag Secretary

23/5

1380/23

3 copies

No. 1,862.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 5th July 1878.

Read the following letter from H. W. BLISS, Esq., Commissioner of Salt Revenue, to C. A. GALTON, Esq., Acting Secretary to the Board of Revenue, dated Madras, 7th June 1878, No. 225:—

IN reply to the Board's Proceedings, No. 1,397, dated the 23rd May 1878, I have the honor to state that I apprehend no particular difficulty from the adoption of the course proposed by the Accountant-General with respect to the way in which advances made to salt ryots should be debited in the public accounts. Whether they are debited to "Advances recoverable," or at once charged off as expenditure, care will have to be taken that they are worked out, and it seems to me to be as easy to secure this under one system as under the other.

2. The course I think should be adopted is as follows:—

(1).—Payments to be at once charged to the proper head of service as soon as the lump sum from which they are to be made has been drawn.

(2).—As payments are made they should be entered in accounts Nos. 9 (Register of salt received and Kudivaram paid), and 10 (Kudivaram receipt); and the amounts of salt they represent should also be entered in these accounts but in red ink for the sake of distinction. The black ink (cash) entries would of course be final. The red ink ones would not be final, but would only be retained until balanced by entries of salt actually received when they should be erased after inspection and initial by the Salt Deputy Collector on his next inspection.

(3).—These entries in red ink should be carried forward into but separately shown in No. 17 and all subsequent accounts, both those retained in the Salt divisions and those forwarded to this office and to the Board. A glance will then at any time show how much salt is owed to Government by the manufacturers, which is the real point at issue; for under any system the money paid is gone, and it is not money but salt which has ordinarily to be recovered.

3. Under the present system if advances are not worked out and cannot be recovered under Section 52 of (Madras) Act II of 1864 they have to be written off to profit and loss. Under the system I now propose it will be the salt which has been paid for and not received which will have to be written off, but I do not know that this difference will cause any confusion. Of course if under the system proposed any advances not worked out are recovered under Section 52 of Act II of 1864 the recoveries will be credited to "Cash recoveries" instead of to "Advances recoverable" as is now done. But this again is unobjectionable.

SUBMITTED to Government with reference to their docket, dated 15th May 1878, forwarding for Board's remarks letter from Government of India, dated 30th April 1878, No. 213.

2. The Board are still of opinion that it is desirable that salt advances should be debited to advances recoverable, unless, in the event of the charges being debited to salt at once, the Accountant-General declines to admit the sums until receipts are produced of the quantities of salt received on account of the advances made. The Comptroller-General observes that the Board are right in insisting on the necessity of checking the subsequent adjustment of this expenditure, but that this is a duty which must fall upon the Revenue not the Account Department. The Board do not understand this statement. The audit of payments for salt to the manufacturers consists in seeing that the amount paid is for the prescribed quantity of salt received into store, and this check is now exercised by the Accountant-General in regard to price paid after the delivery of salt. If the Account Department is to exercise this check in the case of money paid after the delivery of salt the Board fail to see why it should be relieved of this duty in the case of money paid in advance.

3. Should, however, it be decided that for the sake of uniformity advances should at once be debited to salt and treated as a final charge there is no insuperable objection to the measure being carried out. The Salt Commissioner will have to see that the advances are properly worked up.

4. The plan suggested by Mr. Bliss for checking the adjustment of advances does not, however, commend itself to the Board. According to his plan the entries in Statement No. 9 will have to be constantly altered which is not desirable. A ryot may receive an advance for 1,000 maunds of salt and deliver that quantity on five occasions; according to Mr. Bliss' plan the red ink figures 1,000 will have to be altered on five different occasions partly into red ink and partly into black ink entries which will be inconvenient. The best course would be to open separate columns in Statement No. 9 to show the amount of advances received by the ryot, and the quantity of salt delivered in adjustment thereof from time to time; quantities delivered for cash payments being denoted separately. This would avoid correction of entries once made, and when any portion of the balance remains unpaid it will have to be merely struck off the accounts with the permission of Government without alteration of the stock accounts. Statement No. 17 will require no alteration. It should only show the quantity actually received into store, but the Salt Commissioner may obtain from the divisions a separate account showing the advances made good by the delivery of salt and the amount remaining due at the end of each month.

(A true Copy and Extract.)

Acting Secretary.

To the Secretary to Government, Revenue Department.
Copy to the Commissioner of Salt Revenue.

Revenue Dept
No. 3070

1878.

Board of Revenue,

MADRAS.

PROCEEDINGS, 5TH JULY 1878, No. 1,862.

Despd 13/7/78

Encl.

Received 15 July/78

[illegible] 1878

JULY.

No. 1,862.

Advances made to Salt Ryots.—Submitting to Government letter from Commissioner of Salt Revenue regarding adjustment of — in public accounts, and stating Board's views on the subject.

Exd. J. Tulloch.

C 17-8-78.
R 21-8-78.
C 24-8-78.
R 28-8-78.

No. 344.