

(1) Number of pages 42
(2) Date of repair 21.11.85, 22.11.85
(3) Initials of the Referencer WB

TAMIL NADU ARCHIVES

GOVERNMENT OF TAMIL NADU

Revenue
DEPARTMENT

G.O. No.	60	Press.
B.P. No.		Mis.
Dated	14.1.1878	197 .

97

Not to be folded or roughly handled

GOVERNMENT OF MADRAS.

REVENUE DEPARTMENT.

14th January 1878, No. 60.

Read the following papers :—

No. 114. From W. DONALD, Esq., Officiating Accountant-General, Madras, to C. G. MASTER, Esq., Secretary to Government, Revenue Department, dated Fort St. George, 25th September 1877, No. 743.

I HAVE the honor to acknowledge the receipt, on the 13th instant, of G.O., dated 17th August 1877, No. 2,525, Revenue, and, with reference to paragraphs 6 to 9 thereof to point out that the objection taken by this office in No. 14, dated 6th April 1877, appears to have been misunderstood.

2. Under the system in force up to the present time the value of the Luams and Merahs resumed in 1803 was credited *not* to Land Revenue, that is to say, the demand on these resumed lands was, at the time of its collection and previous to its arrival at the Government Treasury, subject to a percentage deduction due to the village servants on those lands, and the effect was that, if no revenue was collected, no payment was made to the village servants, the one being dependent on the other; the net result only being incorporated in the public accounts as an item of receipt.

3. Under the system inaugurated by G.O., No. 47, dated January 9th, 1872, which has hitherto been inoperative, but which is now ordered decisively, it is proposed practically to incorporate in the public accounts the gross transactions, that is to say, to take to the credit of Land Revenue the full demand on these resumed lands as it is collected, and to charge off per contra to the grant for Land Revenue the percentage due to the village servants in the form of an annual assignment. It is clear that, under this system, payments will be always made to the village servants irrespective of the amount of revenue realized, and it may often happen, as probably in the present year, that an infinitesimal sum will be collected as the set off, although the whole assignment will be drawn and paid to the village servants.

4. Apart, however, from any consideration of the probable effect of this order, it is necessary to point out that the principles on which the public accounts are at present compiled necessitate the sanction of the Government of India to any change of a permanent nature, even though, as in the present case, theoretically there is a set off on the receipt side of the account.

No. 115. Proceedings of the Board of Revenue, dated 5th October 1877, No. 4,038.

Read the following :—

Proceedings of the Madras Government, dated 17th August 1877, No. 2,525, Revenue Department.

ABSTRACT.—*Payment of Village Servants in Salem District.*—Passing orders on papers relating to the method of remunerating the village servants in the Salem District for Fash 1286, and the mode in which the fund is for the future to receive credit for the fixed payment settled in lieu of resumed lands and fees.

Letter from C. T. LONGLEY, Esq., Collector of Salem, to C. A. GALTON, Esq.,
Acting Secretary to the Board of Revenue, dated 1st September 1877,
No. 484.

In reference to the Board's Proceedings, No. 3,245, dated 11th July 1877, I have the honor to enclose herewith a statement from which the Board will observe that the beriz deductions of Fasli 1286 under all heads on account of the salaries of village servants was Rs. 1,00,331, or Rs. 17,231 less than the sum (Rs. 1,17,563 as per Fasli 1285) payable under G.O., No. 922, dated 3rd March 1877. The amount already paid to village servants for Fasli 1286 was Rs. 64,195, of which Rs. 11,726 only were met from collections, while the difference, Rs. 52,469, was disbursed from the Treasury, debiting the same to Service Fund. As under the Board's Proceedings under reference, the village officers are entitled to the payment of only Rs. 17,231 (the difference between the deductions of Faslis 1285 and 1286) from the Service Fund, I beg to point out that this will involve repayment of the money (Rs. 52,469) by the village officers to Government, which in these days will be felt as a great hardship, while the concession which the Government Order above quoted is intended to confer wholly fails in its object (which is to enable the village servants to tide over the distress), because there is little prospect of the collections from ryots being sufficient this year to meet the payments. The confusion which the adjustment of repayments will cause in the accounts is also a matter for consideration. The best course appears to be to pay the whole of the salaries of village servants due under the Government Order from the Service Fund and to credit to this fund all the beriz deductions already made. This arrangement will not only simplify matters but will ensure greater accuracy in the accounts, inasmuch as it will do away with the system of Taluq authorities waiting for the return of pay abstracts by village officers (*vide* paragraph 5 of my letter, No. 336, dated 18th June 1877,) in order to show the transactions of the fund in the taluq accounts.

2. If the above suggestion is sanctioned, regarding the adjustment of the Service Fund, I beg to suggest that the same should be applied to the accounts of the Service Fund for the year 1877-78.

2. If the above suggestion is sanctioned, no confusion need be apprehended regarding the adjustment in the accounts of the sum of Rs. 11,726 paid from collections (*vide supra*), as the same has been shown already on the credit and debit sides of the fund.

(Signed) C. T. LONGLEY,
Collector.

SALEM, 23th August 1977.

ENCLOSURE No. 1.

STATEMENT showing the Amount and Disbursements of Salaries of Village Servants in Salem District for Fasli 1296.

Name of the Taluq.	THE AMOUNT OF DEDUCTIONS FOR THE VILLAGE SERVANTS FOR F.A. 1285.					THE AMOUNT OF DISBURSEMENTS OF THE SALARIES OF VILLAGE SERVANTS FOR F.A. 1286.					THE AMOUNT OF SALARIES OF VILLAGE SERVANTS FOR F.A. 1286.						
	Byotwar.	Miscellaneous Land Revenue.	Land Cess.	Palmyra Trees.	Total.	The Amount spent up to December 1876.			The Amount spent up to March 1876.			Amount to be disbursed.	Byotwar.	Land Revenue, Miscellaneous.	Land Cess.	Palmyra Trees.	Total.
						From Vil. Receipts of this Village Ser. vice Fund. as usual.	From Vil. Receipts of this Village Ser. vice Fund. as usual.	From Vil. Receipts of this Village Ser. vice Fund. as usual.	From Vil. Receipts of this Village Ser. vice Fund. as usual.	From the Receipts of the Villages as usual.	Total.						
Abhor	25,570	1,230	641	322	28,228	9,270	6,432	338	9,408	13,673	9,550	22,574	1,193	1,204	343	24,314	24,314
Nankal	9,153	709	503	72	10,437	3,014	1,599	883	653	6,423	7,918	11,418	1,164	627	147	13,356	13,356
Trichengode	16,306	144	781	385	17,616	5,753	..	..	..	5,206	5,141	7,816	684	473	82	9,055	9,055
Durampury	11,380	161	456	4	12,001	5,998	..	2,959	..	8,957	3,004	9,131	168	467	4	9,820	9,820
Kistnagiri	8,732	180	330	110	9,412	1,330	1,557	2,460	..	5,347	4,065	7,130	165	383	110	7,793	7,793
Ossoor	11,260	193	544	..	11,997	2,824	..	1,412	..	4,236	7,761	8,820	196	546	..	9,662	9,662
Triputur	5,103	605	316	20	6,044	..	1,434	2,054	1,051	4,539	1,505	4,627	638	308	13	5,484	5,484
Tengri	7,042	80	299	65	7,487	2,476	..	2,420	..	4,896	2,591	5,560	85	301	54	6,010	6,010
Total ..	1,05,901	4,478	5,134	1,050	1,17,563	30,695	10,922	21,774	1,704	64,195	53,368	89,744	4,337	5,099	1,152	1,00,332	1,00,332

The foregoing Government Order will be communicated to the Collector of Salem for his information and guidance.

2. From Fasli 1287, the full amount of Rupees 1,20,000 should be apportioned among the several taluqs and villages and deducted from the beriz, being shown under beriz deductions in the Remission Statement No. 4; when the amount is collected, it should be credited to the Village Service Fund, all payments to village officers being likewise debited to that fund. The amount to be deducted from each village should be fixed by the Collector with reference to the revenue of the village, and the percentage payments made by it hitherto.

3. There will be no confusion in the accounts in future as the demand will be a fixed one.

4. For Fasli 1286, the salaries to village servants should be paid at the same rates as in the previous year and debited to the Village Service Fund, the percentage collections being also credited to the same head. The excess charge over and above the percentage collections will be met from the collections of the village cess in Fasli 1286 or the accumulated balance in hand.

5. The Board do not clearly understand the difficulty raised by the Collector in the letter read above, but the course now sanctioned appears to be identical with that suggested by him. There was no intention of calling upon village officers to refund the money paid from the Treasury.

6. With reference to paragraph 8, the Board observe that the fact that the annual credit assigned to the Village Service Fund was less than the annual income from village service assets received by Government with the State land-revenue was not overlooked; in fact, it was advanced as a reason for not now reducing the grant in paragraph 6 of the Board's Proceedings; looking to the system of financial control in force it seemed open to question whether the Local Government was competent to convert a fluctuating into a fixed charge on the revenues without reporting the matter for confirmation, however advantageous the arrangement might be. There is also a misapprehension of the Board's meaning in the second sentence of the same paragraph. It is nowhere stated in the Proceedings that the service meralis were excluded from the produce of the land in making the revision of the Salem settlements. Probably the Government refer to the phrase "although these items have been separated at the settlement" used by the Board in paragraph 6 of their Proceedings, but it was only intended to convey that the land-cess and village-cess imposed were in addition to the land assessment, and that all three had therefore been taken into account in calculating the increase resulting from the operations of the Settlement Department.

(True Copy and Extract.)

(Signed) C. A. GALTON,
Sub-Secretary.

No. 116.

ORDER THEREON, 14th January 1878, No. 60.

Land Revenue, No. 4.

In the first of these papers the Accountant-General states that the Government misunderstood his objection to the fixed annual grant of Rs. 1,20,000 to the Salem Village Service Fund being paid on their sole authority, and apparently seeks for a reconsideration of the decision in paragraph 9 of G.O., 17th August 1877, No. 2,525, that the grant is not a charge on revenue but a refund of money received by Government on account of others as a mere matter of convenience of collection on the following grounds:—

- (1.) That the order involves a change in the system of crediting to Land Revenue the payments due to the Village Service Fund.

- (2.) That under the old system the grant was dependent on the Land Revenue; whereas now it is not so: and the liability is now imposed on Government of incurring expenditure to the full amount of the grant from General Revenues even in years when the collections may be so small as to entitle village servants to little or no pay under the old system.

- (3.) That the change ordered is of a permanent nature requiring the sanction of the Government of India under the system now in force.

2. The Government observe that the statements advanced by the Accountant-General are again based on misconception of the facts of the case. The percentage deductions heretofore in force were not made only on the demand on the Inams, &c., resumed in 1803, as erroneously assumed: but on the entire land revenue demand; and it is proposed to credit to the land revenue the net collections only, after deducting the portion due to the Village Service Fund; and not the gross collections: a procedure not dissimilar to that formerly followed. There is obviously some confusion in the Accountant-General's letter between the accounts relating to demand and those concerning collections. In the former the gross demand will, as has always been done, invariably be shown, as also the deductions to be carried to the credit of the Village Service Fund; but these transactions will not appear in the treasury accounts relating to actual collections in which the net Land Revenue realized after allowing for the amount due to the Village Service Fund, will, as formerly, be shown. It is presumed that the rules to be observed by the Accountant-General have no bearing on the accounts, prepared with reference to the annual settlement, independently of the actual collections. The old and the new method of crediting the payments in the accounts which are almost identical, can be clearly gathered from paragraphs 4 and 5 of the Collector's letter recorded in G.O., 17th August 1877, No. 2,525, and in paragraph 2 of Board's Proceedings, dated 5th October 1877, No. 4,638, the real difference of procedure being that, under the new system, a fixed instead of a varying amount should be deducted from the collections of each village before they are credited in the accounts.

3. The facts of the case are thus:—

The State in 1803 chose to assume certain emoluments which appertained of right to the village servants and were composed not solely of State relinquishments, but, here as elsewhere, included cessions by the villagers as well as by the State for service to be rendered to both. In lieu of these emoluments it was settled to pay cash by a percentage on the district revenue, which over a long series of years averaged Rs. 1,20,000, being about Rs. 7,000 less than the originally calculated value of the legitimate emoluments which were assumed by Government and which doubtless now represent a far higher value than they did at the time of the assumption. The Government decided some years ago that the percentage system should be abandoned; and the average payment be made a fixed annual contribution to the Village Service Fund, in lieu of the value of the emoluments for which the Government is legally liable.

4. The Accountant-General's argument, that the result is that in the hypothetical case of there being no collections on which a percentage deduction could be calculated, the village establishment will now be paid for their services, when under the old system they would have got nothing, is putting an extreme case; and assumes what cannot be maintained that the Government have a right under certain circumstances to require service from village establishments without paying for them. This is a position which cannot be maintained, and it ignores altogether the fact that Government is in possession of what may be called the Capital Fund, viz., the value represented by the emoluments of office of which the annual payment is the interest and that the capital fund belongs to the Village Service Establishment and not to Government. The Government must either pay the interest or relinquish the capital. The Accountant-General's argument would necessarily involve the assumption that in a famine year the services of a village establishment are neither rendered nor required, while the contrary is the fact.

5. The Government see no reason to recede from the position already taken by them. The proposals of the Board in paragraph 2 of the second of the papers above recorded are approved and sanctioned.

(True Extract.)

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

To the Accountant-General.
„ the Board of Revenue.
„ the Director of Revenue Settlement.
„ the Financial Department.

Exd. T. D. Ryan.

60
4

Received by the
Accountant-General
on the 14th Jan 1878
for the Revenue Department

600/5

No. 3,245.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 11th July 1877.

Read the following letter from C. T. LONGLEY, Esq., Collector of Salem, to H. E. STOKES, Esq., Secretary to the Board of Revenue, dated Pennagram, 3rd July 1877, No. 366 :—

In continuation of my letters noted in the margin, I have the honor to state that, owing to the non-receipt of orders as to how the payments to village officers are to be made for Fasli 1286, either by making the usual deductions from the revenue of each village or by allotting funds from the fixed contribution to be made from Imperial Funds, I am unable to direct the Tahsildars how to settle the land-revenue "demand" for that fasli which should have been done by the end of last month. Any further delay will, I apprehend, cause serious inconvenience to the accounts to be sent to the Board and Accountant-General. I therefore request to be favored with immediate orders on the subject.

The correspondence adverted to will be submitted for the orders of Government shortly. The land-revenue demand for Fasli 1286 should be settled as usual, any excess of salaries paid to village servants over the beriz deductions being made good from the Village Service Fund.

(A true Copy and Extract.)

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

To the Collector of Salem.

Ed. W. H. French.

Place in letter to the Accountant-General and Revenue Board of the Board of Revenue, regarding the proposed alterations in the rates of land revenue.

JANUARY 1878

65th of 1878

Vide en. 3102/48.

1877.
Board of Revenue,
MADRAS.

PROCEEDINGS, 11TH JULY 1877, No. 3,245.

Encl.

Received

Dec 44657

JULY.
No. 3,245.

Land-revenue demand for Fasli 1286.—
Informing Collector of Salem that—should be
settled as usual, any excess of salaries paid to
village servants over heriz deductions being
made good from Village Service Fund.

No. 4,638.

16/115. PROCEEDINGS OF THE BOARD OF REVENUE, dated 5th October 1877.

Read the following:—

Proceedings of the Madras Government, dated 17th August 1877, No. 2,525, Revenue Department.

ABSTRACT.—*Payment of Village Servants in Salem District.*—Passing orders on papers relating to the method of remunerating the village servants in the Salem District for Fasli 1286, and the mode in which the fund is for the future to receive credit for the fixed payment settled in lieu of resumed lands and fees.

Letter from C. T. LONGLEY, Esq., Collector of Salem, to C. A. GALTON, Esq., Acting Secretary to the Board of Revenue, dated 1st September 1877, No. 484.

In reference to the Board's Proceedings, No. 3,245, dated 11th July 1877, I have the honor to enclose herewith a statement from which the Board will observe that the heriz deductions of Fasli 1286 under all heads on account of the salaries of village servants was Rupees 1,00,331, or Rupees 17,231 less than the sum (Rupees 1,17,563 as per Fasli 1285) payable under G.O., No. 922, dated 3rd March 1877. The amount already paid to village servants for Fasli 1286 was Rupees 64,195, of which Rupees 11,726 only were met from collections, while the difference, Rupees 52,469, was disbursed from the Treasury, debiting the same to Service Fund. As under the Board's Proceedings under reference, the village officers are entitled to the payment of only Rupees 17,231 (the difference between the deductions of Faslis 1285 and 1286) from the Service Fund, I beg to point out that this will involve repayment of the money (Rupees 52,469) by the village officers to Government, which in these days will be felt as a great hardship, while the concession which the Government Order above quoted is intended to confer wholly fails in its object (which is to enable the village servants to tide over the distress), because there is little prospect of the collections from ryots being sufficient this year to meet the payments. The confusion which the adjustment of repayments will cause in the accounts is also a matter for consideration. The best course appears to be to pay the whole of the salaries of village servants due under the Government Order from the Service Fund and to credit to this fund all the heriz deductions already made. This arrangement will not only simplify matters but will ensure greater accuracy in the accounts, inasmuch as it will do away with the system of Taluq authorities waiting for the return of pay abstracts by village officers (*vide* paragraph 5 of my letter, No. 336, dated 18th June 1877,) in order to show the transactions of the fund in the taluq accounts.

2. If the above suggestion is sanctioned, no confusion need be apprehended regarding the adjustment in the accounts of the sum of Rupees 11,726 paid from collections (*vide supra*), as the same has been shown already on the credit and debit sides of the fund.

ENCLOSURE No. 1.

ENCLOSURE No. 1. Salem District for Fasli 1286.

Statement showing the Amount and Disbursements of Salaries of Village Servants in Salem for EARLY 1286.																
Name of the Taluk.	THE AMOUNT OF DEDUCTIONS FOR THE VILLAGE SERVANTS FOR EARLY 1286.				THE AMOUNT OF DISBURSEMENTS OF THE SALARIES OF VILLAGE SERVANTS FOR EARLY 1286.					THE AMOUNT OF SALARIES OF VILLAGE SERVANTS FOR EARLY 1286.						
	Ryotwar.	Miscellaneous Land Revenue.	Land Cess.	Palmyra Trees.	Total.	The amount spent up to December 18 8.		The amount spent up to March 1876.		Total.	Amount to be dis-bursed.	Ryotwar.	Land Revenue, Miscellaneous.	Land Cess.	Palmyra Trees.	Total.
						From Village Service Fund.	From the Receipts of the Villages as usual.	From Village Service Fund.	From the Receipts of the Villages as usual.							
RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Salem ..	25,526	1,176	1,204	322	28,228	9,270	..	9,408	..	18,678	9,550	22,574	1,193	1,204	343	25,314
Chiloor ..	12,399	1,230	641	71	14,341	..	6,432	338	663	6,423	7,918	11,419	4,164	627	147	13,356
Namkal ..	9,153	709	508	73	10,437	3,014	1,599	688	..	5,296	5,141	7,818	694	473	82	9,065
Trichengode ..	16,306	144	781	385	17,616	5,783	..	..	2,999	8,997	3,904	9,181	169	388	110	7,793
Darampury ..	11,380	161	456	4	12,001	5,958	..	2,450	..	5,347	4,065	7,130	2,165	546	..	9,562
Kistnagiri ..	8,732	180	390	110	9,413	1,830	1,567	1,412	..	4,236	7,761	8,820	195	306	13	5,484
Ossacor ..	11,260	193	644	..	11,997	2,824	..	2,064	1,051	4,639	1,505	4,627	538	301	64	6,010
Tripstar ..	5,193	805	316	20	6,044	..	1,434	2,420	..	4,896	2,591	5,560	85	6,099	1,152	1,00,332
Utengiri ..	7,042	80	299	66	7,487	2,476	..	..	..	4,896	53,368	89,744	4,337	..	..	..
Total ..	1,06,901	4,479	5,134	1,030	1,17,563	30,695	10,022	21,774	1,704	64,195	..	..	..	..	..	..

C. T. LONGLEY,
Collector.
(Signed)

(Signed) C. T. LONGLEY,
Collector.

SALEM, 23rd August 1877.

THE foregoing Government Order will be communicated to the Collector of Salem for his information and guidance.

2. From Fasli 1287, the full amount of Rupees 1,20,000 should be apportioned among the several taluqs and villages and deducted from the beriz, being shown under beriz deductions in the Remission. Statement No. 4; when the amount is collected, it should be credited to the Village Service Fund, all payments to village officers being likewise debited to that fund. The amount to be deducted from each village should be fixed by the Collector with reference to the revenue of the village, and the percentage payments made by it hitherto.

3. There will be no confusion in the accounts in future as the demand will be a fixed one.

4. For Fasli 1286, the salaries to village servants should be paid at the same rates as in the previous year and debited to the Village Service Fund, the percentage collections being also credited to the same fund. The excess charge over and above the percentage collections will be met from the collections of the village cess in Fasli 1286 or the accumulated balance in hand.

5. The Board do not clearly understand the difficulty raised by the Collector in the letter read above, but the course now sanctioned appears to be identical with that suggested by him. There was no intention of calling upon village officers to refund the money paid from the Treasury.

6. With reference to paragraph 8, the Board observe that the fact that the annual credit assigned to the Village Service Fund was less than the annual income from village service assets received by Government with the State land-revenue was not overlooked; in fact, it was advanced as a reason for not now reducing the grant in paragraph 6 of the Board's Proceedings; looking to the system of financial control in force it seemed open to question whether the Local Government was competent to convert a fluctuating into a fixed charge on the revenues without reporting the matter for confirmation, however advantageous the arrangement might be. There is also a misapprehension of the Board's meaning in the second sentence of the same paragraph. It is nowhere stated in the Proceedings that the service mohals were *excluded* from the produce of the land in making the revision of the Salem settlement. Probably the Government refer to the phrase "although these items have been separated at the settlement" used by the Board in paragraph 6 of their Proceedings, but it was only intended to convey that the land-cess and village cess imposed were in addition to the land assessment, and that all three had therefore been taken into account in calculating the increase resulting from the operations of the Settlement Department.

(True Copies and Extract.)

(True Copies and Extract.)

Sub-Secretary.

To the Collector of Salem, with copies of Government Order.
 " Secretary to Government, Revenue Department,
 with copy of Board's Proceedings, 11th July 1877, No. 3,245.
 Copy to the Director of Revenue Settlement.
 " Accountant-General.

Exd. W. J. Lewis.

14th January 1878, No. 60

Messrs
Account DEPARTMENT.

No. 743

CE/8

Read the following papers:—

Fort Saint George,
Accountant General's Office,
25 September 1877.

No 114 FROM THE ACCOUNTANT GENERAL
TO THE GOVERNMENT OF MADRAS.

To The Secretary to Government
Revenue Department

SIR,

I have the honor to acknowledge the receipt on the 13th instant, of G.O. dated August 17th, 1877, No. 2525, Revenue, and, with reference to paras 6 to 9 thereof, to point out that the objection taken by this office in No. 114, dated April 6th, 1877, appears to have been misunderstood.

Under the system in force up to the present time, the value of the *Shams* and *Shams* resumed in 1803, was credited not to Land Revenue, that is to say, the demand on those resumed lands was, at the time of its collection, and previous to its arrival at the Government Treasury, subject to a percentage deduction due to the Village *Sewants* on those lands, and the effect was that, if no revenue was collected, no payment was made to the Village *Sewants*, the one being dependent on the other, the net result only being incorporated in the public Accounts.

By the way, the Government has been asked to make an order in the case of the resumed lands, that the 20% of the revenue should be paid to the Village Sewants, and the 12% to the Government.

The Government has been asked to make an order in the case of the resumed lands, that the 20% of the revenue should be paid to the Village Sewants, and the 12% to the Government.

Revenue Department

No 4465

1877.

Board of Revenue,
MADRAS.

PROCEEDINGS, 6TH OCTOBER 1877, No. 4,638.

Order to the Secretary

Order to the Secretary

Executed 20 October

OCTOBER,
No. 4,638.

Village *Sewants*—in Salem District—Continuing to Collector Proceedings of Government passing orders on papers relating to the method of remunerating the— for Fash 1886 and the mode in which the fund is for the future to receive credit for the fixed payment settled in lieu of resumed lands and fees.

No 115

AC 10/10/1878 R 11-1-78
AC 10/10/1878 R 11-1-78
AC 10/10/1878 R 11-1-78
AC 10/10/1878 R 11-1-78

3 Under the system inaugurated by G.O.
No. 147, dated January 9th 1872, which has hitherto
been inoperative, but which is now ordered de-
cisively, it is proposed practically to incorporate
in the public accounts the gross transactions, -
that is to say, to take to the Credit of Land Revenue
the full demand on the resumed lands, as it
is collected, and to charge off for Contra to the
Credit for Land Revenue, the percentage due to
the Village Servants in the form of an Annual
Assignment. It is clear that under this system,
payments will be always made to the Village
Servants, irrespective of the amount of revenue
realized, and it may often happen, as probably
in the present year that our infinitesimal sum
will be collected as the set off, although the
whole assignment will be ^{drawn} and paid to the
Village Servants.

Рис.

Have the honor to be
Sir

Your most Obedt. Servant.

Abouald
Offr Account General

[The page contains several handwritten notes and signatures, mostly illegible due to extreme fading.]

There is, in general
rough & scanty work
in progress, the stone
will have been satisfied
with a change for nothing
and the system, but now
it will be...

Chapman

~~6E~~

Under date of - 16 January 1878

Read the following papers.

e. p. 4179.

N^o 1,638



11/1

August

Feb. 6. - 1798

Departing from this on Dec 21
1869 of 10. He 2025 reached
Aug 17 1877. He never regarding
the payment of \$1000.00
in the Indian District

H.C. 10. Jan'y 78 R. 11-1-78
H.C. 4. Jan'y 78 R.
H.C. 26 Dec'r. H.C. 31 Dec'r 77
R. 21 Dec'r. H.C. 15 Dec'r 77

August 1877 N: 2525, that
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revenue but a refund of
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venience of collection, on
the following grounds:

(1) That the order in-
volves a change ~~of~~
in the system of crediting
to Land Revenue the
payments due to the
Village Service Fund.

(2) That under the
old system, the grant was
dependent on the Land
Revenue.

6
Revenue, whereas now it is not
so, and the liability is now
imposed on Government of
incurring expenditure to the
full amount of the grant
from General Revenues even
in years when the collections
may be so small as to entitle
village servants to little or
no pay under the old system.

(3) That the change ordered
is of a permanent nature
requiring the sanction of the
Government of India under
the system now in force.

2. The Government
observe that the statement
advanced by the Accountant
General

General are again based
on misconception of the
facts of the case. The per-
centage deductions heretofore
in force were not made only
on the demand in the Inams
as resumed in 1803, as errone-
ously assumed, but on the
entire land revenue demand
~~of the villages~~; and it is pro-
posed to credit to the Land
Revenue the net collections
only, after deducting the
portion due to the Village
Service Fund, and not the
gross collections: — a procedure
not dissimilar to that
formerly followed. There is
obviously

7
obviously some confusion in
the Accountant General's letter
between the ~~accounts~~^{accs} relating
to demand and those concern-
ing collections. In the former
the gross demand will, as
has always been done, invari-
ably be shown, as also the de-
ductions to be carried to the
credit of the Village Service
Fund; but these transactions
will not appear in the Treasury
accounts relating to actual
collections in which the net
Land Revenue realized
after allowing for the amount
due to the Village Service Fund,
will, as formerly, be shown —
It is presumed that the rules
to be observed by the Account-
ant

ant General have no bearing
on the accounts, prepared
with reference to the annual
settlement, independently of
the actual collections. The old
and the new method of cre-
diting the payments in the
accounts, which are almost
identical, can be clearly gather-
ed from paras 1 and 5 of
the Collector's letter recorded
in L.O. 17th August 1877. N^o 2525
and in para. 2 of Board's
Proceedings dated 5th Octr 1877
N^o 4638, the real difference
of procedure being that, under
the new system, a fixed instead
of a varying amount should
be deducted from the collections
of

8
of each village before they are
credited in the accounts.

3. The facts of the case
are ~~the~~ $\frac{C}{H}$

The State in 1803
chose to ~~take~~ ^{assume} ~~charge~~ of certain
landed emoluments which
appertained of right to the
Village servants and were com-
posed not solely of State
relinquishments, but, here
as elsewhere, included cessions
by the villagers as well as by
the State for service to be
rendered to both. In lieu
of these emoluments, it was
settled to pay cash by a
percentage on the District
revenue, which ever so long
series

series of years averaged Rupees

120,000, being about Rupees

7000 ^{on calculation} less than the value

of the legitimate emoluments

which ~~are assumed by~~

of Government. The Govern.

ment decided some years

ago that the percentage

system should be abandon.

ed; and the average payment

be made a fixed ^{annual} contribution

to the Village Service Fund, in

lieu of the value of the emol.

uments for which the

Government is legally liable.

4. The Accountant

General's argument, that

the result is that in the

hypothetical case of there

being

It does not represent a far
higher value than
it is at the
time of the assumption.

being no collections on which
a percentage deduction could

be calculated the village

establishment will now be

paid for their services, when

under the old system they

would have got nothing, is

putting things to an ~~absurd~~

^{case} extreme and assumes what

cannot be maintained

that the Government have

a right under certain cir-

cumstances to require service

from village establishments

without paying for them. This

is a position which cannot

~~for a moment~~ be allowed

~~to be maintained~~

and it ignores altogether

the fact that Government

is

that has been called
is in possession of the capital
Fund viz ^{represented by} the value of the
^{Establishment of office}
~~annual~~ ~~land~~ of which
the annual payment is
the interest and that the
capital fund belongs to the
Village Service Establishment
and not to Government.

The Government must either
pay the interest or relin-
quish the capital. The
Accountant General's ^{argument} would
necessarily involve the
assumption that in a future
year the services of a
village establishment are
neither rendered nor re-
quired, while the contrary
is the fact.

Under

5. ~~Under the~~
~~circumstances~~, The Govern-
ment see no reason to
recede from the position
already taken ~~by~~ by them,
~~and resolve to maintain it~~

The proposals of
the Board in paras 2 of
the second of the papers above
recorded are approved and
sanctioned.

gll

- 6 To the Accountant General D. 25 Jan
- 11 The Board of Revenue
- 26 The Secy of Revenue
- 5 The Financial Secy

[Signature]

My account to
Village Govt. & Govt.
Revenue in Police

Note for the information
& orders of the Secretary

Letter from the Accountant
sent by 25 Sep 1877 no 743.

The distinction which
the Accountant General
draws between his exist-
ing & newly sanctioned

The Budget for the
year in his statement
is not of little
importance.

The Budget for 1883
shows a large charge
for the purchase of
land for the
Village Govt. & Govt.
Revenue in Police
which is not
shown in the Budget
for 1883.

arrangement seems
to be purely imaginary.
The net demand, after
allowing for the fixed
sum of Rs 120000, will
be shown in the settlement
accounts with the particu-
lars of the whole transac-
tion viz the Gross Land Rev.
demand, the deduction
on account of the fixed
sum.

114 645

114

No 114

R.C. 10. Jan 78 R. 11-1-78
R.C. 7. Jan 78 R. 10-1-78
R.C. 31. Dec 77 R. 4-1-78
C. 15. Dec 77 R. 26-1-78

to be. But none of these
will appear in the Treasury
account with which alone
the Accountant General
is concerned. The actual land revenue
collections minus the
amount to be credited
to the Village Service
Fund out of the fixed grant
will be credited in the
Treasury account
~~under the Village Service~~
Land Revenue & the total
collections can only be
arrived at by adding
up the entries under
Land Rev^t & Village Service.

which are claimed
by the Village Service as
by the State for
services to the Government
both to the Village Service &
to the State.
In view of these
entanglements it was decided
to pay cash by a percentage
on the State Revenue & over
a long series of years some
Rs. 12,000. being to meet
less than the value of the
legitimate emoluments
to be in the hands of the
State. It is decided some years
ago that the percentage
should be a fixed one
& the average payment
made a fixed one to which
the Village Service is
in view of the value

of the emoluments for
the Gov^t is highly
likely. The argument that the
result is that in the
long run the collection
will be a percentage
deduction could be
intended. The Village
Service is not
to be paid for this service.
Then under the present
system they are known
for nothing. is pushing
things to the extreme
& begins to be a
serious statement
to be maintained that the
Gov^t is having a right
under certain laws
to require service
from the Village Service.

Thus the necessity of crediting
with the gross collections
& debiting the proportionate
share of the fixed grant
to Land Revenue will
be obliterated; & it seems
to be precisely the course
now followed in regard
to "percentage deductions".
The real difference bet.
between the present & proposed
systems is the crediting
in future an invariable
amount in the Village
Service. It amounts to
stead of the hitherto varying
percentage deduction & the
only difficulty which

suggest itself for con-
sideration is the dis-
assignment of the fixed
grant to the Village Service
Fund (Rs. 120000) which under
the proposed arrangements
as above explained will
appear nowhere in the
Imperial accounts,
but made when the
Land Revenue is hit
or falls short of the grant.
This is a very extreme
case & never likely
to occur. But supposing
for the sake of argument
that such a contingency may
arise

is not paying for
them. If for the
cannot from whom
be known. But it
ignores the fact
the fact that Govt
is in possession
of the Capital fund
to speak of it the
annual pay is to
be made. & that the
Capital fund belongs
to the Village Service
Establishment &
not to Govt. They
must be paying the
interest on the
Capital.

The diff. argument
if it were for
any thing it would
involve the assumption

that in a famine year
the services of the
Govt. are better
understood & required.
The very contrary being
the fact.

The Govt. are
in a position to
draw from
the position clearly
taken by Govt. of
drawing from it.

The various provisions
of the Country are not to be
disturbed & please Mr
Board. (Sd.)

It was stated in the meeting
that the Govt. had been
reminded that the same should be
with regard to the Village - Case.

arise, the Government
having pledged
itself to make good
grant, will find it
self in an awkward
position & be compelled
to seek the sanction of the
Govt. of India which it now
considers unnecessary.
This point deserves con-
sideration of Government.
The queries put by the
Secretary in the margin
of the Accountant Genl's
letter have been answered
in his letter of July.
1885-10-27

For orders
of 100

R.C. 7/8/58 R. 10/8/58 R. 11-1-70
c.b. 6 Oct/51 R. 23/10/57

584

The Professor of the
 Law at the University
 of the City of New York
 has the honor to inform
 you that the same
 has been received from
 the Secretary of the
 State of New York
 and is now in the
 hands of the
 proper authorities
 for their consideration.
 I am, Sir, very
 respectfully,
 Yours,
 J. D. [Signature]

~~6C~~
2C

The Proceedings
has been drafted on
my Honble: Colleague
Mr. Matthews's note.
I agree with the Conclusion
and desire to maintain
the G.O.. But I am inclined
to think that there is force
in the Accomplish General's
reasoning and he is ^{thus} en-
titled to the argument
based on what is called
in the Draft a hypothetical
case.

Case
The Argument used
in the Draft of which I
rather doubt the accuracy
is

it that Government is
 in possession of the "Capital
 Fund" and is as it were
 bound to pay the interest
 which accrues under
 all circumstances. This
 would apply possibly to
 resumption of Rupee(?) which
 constitutes however by far
 the lesser part of the
 resumption, but does not
 apply to resumption of Marathi.
 Is it not rather that the
 Government reserves a plain
 variable debt charge
 and is bound to account
 for these to the extent of
 their realization. I am
 afraid that the argument
 as to "Capital Fund" may
 be met (rightly or wrongly)
 in some such way as this.
 Might

~~that the Government~~
~~is bound to pay the interest~~
~~which accrues under~~
~~all circumstances.~~
~~This would apply possibly~~
~~to resumption of Rupee(?)~~
~~which constitutes however~~
~~by far the lesser part of the~~
~~resumption, but does not~~
~~apply to resumption of~~
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 and is bound to account
 for these to the extent of
 their realization. I am
 afraid that the argument
 as to "Capital Fund" may
 be met (rightly or wrongly)
 in some such way as this.
 Might

might the Government
 be put in a difficult form?
 viz that the existing
 existing sources of revenue
 and the prospect of their
 improvement into the
 future some 70 years ago
 and under too to main-
 tain the Village Establish-
 ment in efficiency by
 percentage deduction
 on the series that the
 and the Government
 has not yet been
 dated these at less
 than their average value
 and proceeds to supplement
 them by the Service Account
 No new charge or system
 of account is created
 as is shown in the
 Draft, and that therefore
 no ratification by the
 Govt of India is required
 in a matter by which

(1) Number of names -- 2

REPLY ON FURTHER COMMUNICATION.		REFERENCE ISSUED.	
Nature, number and date of final disposal.	Outside number and date.	Current number and date.	From whom.
(15)	(14)	(13)	(12)
(16)	(11)	(10)	(9)
Form and sub-number.		Date.	To whom.

RECEIVED
15/5/58

ASSISTANT
SECTION 10
DEPARTMENT OF RECORDS

Booklet II-1-4,000 Bk-30-12-75

RECEIVED
15/5/58

ASSISTANT
SECTION 10
DEPARTMENT OF RECORDS

Booklet II-1-4,000 Bk-30-12-75

1875

SECTION 10 DEPARTMENT OF THE ARMY
OFFICE OF THE SECRETARY OF THE ARMY
WASHINGTON, D. C.

Sept. 11-1-6,000 Bks.-30-12-75