

Revenue (183) Department.

Pres. SERIES.

G.O. No. 200

DATED

17. 2. 1882

[Despatch Abstract.]

## BACK PAPERS.

| G.O. | No. | Department. | Date. | G.O. | No. | Department. | Date. |
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## FURTHER PAPERS.

| G.O. | No. | Department. | Date. | G.O. | No. | Department. | Date. |
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|      |     |             |       |      |     |             |       |

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(3.) *Kurnool*.—A sum equal to  $6\frac{1}{4}$  per cent. is being deducted from the Imperial Revenue and credited to the Village Service Fund in the four taluks of Kurnool

\* *Vide* G.O., No. 1,409, dated 6th August 1864. Proper, as that percentage\* was added to the revised rates at the settlement on account of village service. The amount

so deducted in Fasli 1289 was Rs. 31,541. This is in reality no contribution from Imperial Revenues, but village cess first incorporated with the land assessment and then again deducted from the same.

(4.) *Kistna*.—In the Masulipatam portion of the district, a sum equal to  $6\frac{1}{4}$  per cent. is deducted from the Revenue demand and credited to the Village Service Fund. No special addition was made to the rates of assessment as in Kurnool on account of this annual deduction, but the new rates of assessment have been declared

*Vide* G.O., No. 1812, dated 30th September 1864. by Government to include village service cess to the extent of  $6\frac{1}{4}$  per cent., because the results of the revised settlement

exhibited a great increase of revenue taxation when compared with the former settlement in which the cost of remuneration to village servants was included (*vide* paragraph 25 of the Board's Proceedings, No. 6927, dated 17th October 1862). The amount of deduction in Fasli 1289 was Rs. 34,123. Besides the above, there are other deductions from the beriz to the extent of Rs. 37,578 on account of ready-money payments, of which Rs. 12,624 represent payments made on account of resumed meras, and Rs. 24,954 salary grants from Imperial Revenue, under the authority conveyed in Board's Proceedings, dated 4th October 1879, No. 2795, and G.O., dated 28th November 1879, No. 2212.

(5.) *Chidambaram Taluk of the South Arcot District*.—A sum of Rs. 31,634 is deducted from the Imperial Revenue and credited to the Village Service Fund on account of resumed meras and inams. I cannot ascertain from settlement records how much of this sum represents the value of inams resumed and how much the value of resumed fees. The Collector has been requested to report.

(6.) *Tinnevely*.—A sum of Rs. 58,985 is being contributed in this district apparently on account of resumed inams and fees and other salary grants formerly paid by Government. There is nothing in this office to show how much represents the value of inams resumed and how much the value of resumed fees or salary grants.

(7.) *Principal Division Taluks of Cuddapah*.—A sum of Rs. 573 is paid from the Imperial Treasury. This represents the salary grants formerly paid from such revenues.

(8.) *Nellore*.—The contribution now paid in Nellore—the particular case under reference—represents fees which were deducted from the gross produce of the land in a small portion of this district and set aside for the cost of village watchmen. These were, however, not added to the share payable to Government by the ryot and incorporated with the land assessment, but were allowed to be paid direct by the ryots to the Village Police servants concerned. In 1866, this system was abolished, and these fees were collected by Government from the ryots and paid to the watchmen. On the introduction of the new settlement, however—in which, as already pointed out, such fees were not taken into consideration—the collection from the ryots of the aforesaid joint contribution of fees ceased, and their share of the contribution became merged in the village cess. The Government share only is therefore payable from the Imperial Revenue.

5. As regards the third and most important question raised by the Government of India, I must observe that when the Settlement Department was first started, it

seems to have been in contemplation that Government should bear the entire cost of the village service. In paragraph 47 of their Proceedings, No. 4044, dated 19th November 1857, the Board observed that "the village officials who are in fact servants of Government should be paid by a percentage on the village collections," and Gov-

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to render the village establishments really efficient, and hence Act IV of 1864. Later on in 1865, at the close of paragraph 2 and paragraph 3 of the Proceedings of the Madras Government, dated 30th June, No. 1490, it was laid down that "such assessment having been pitched at a higher rate than elsewhere† in consequence of no deduction on account of the liability to pay fees having been made from the estimate of the produce divisible between Government and the ryots.

‡ Note, i.e., in districts not yet settled.—R. W. B. "Such being the case, it is evident that the operation of the Village Cess Act cannot and ought not be such as to relieve Government from providing for the charge hitherto borne by the general revenues on this account, and the payment of which is in fact only a *quid pro quo*."

6. On a careful consideration of past correspondence and orders, I conclude that recommendations for the whole amount of village service contributions being met from Imperial Funds cannot be sustained, unless it is conceded that village establishments, as was first contemplated, are to be a State charge in full—a view which I consider cannot be adopted, having regard to the recent Village Cess Act.

Further, that State funds are generally only liable for half such payments, as suggested by the Government of India, and this principle must be extended to all districts as the settlement proceeds, and equally, whether such fees have been hitherto paid by the ryots direct, or have been resumed, i.e., added to assessment, and paid by Government to village servants, as Government is relieved of the moiety borne by them under former settlements owing to the non-deduction as before of these fees from the gross produce, when calculating the new assessment.

As regards the rule to be adopted for future commutation, it seems to me desirable, considering how greatly the percentage for these fees varies§, according to old accounts in the several districts, that some uniform percentage rate of commutation should be fixed by the Board; but if this principle is applied to the districts already settled, a revision of the contributions hitherto made therein will be necessary.

SUBMITTED to Government with reference to G.O., dated 6th July 1881, No. 1749.

2. The facts of the case are briefly as follows:—When the survey and settlement were undertaken in this Presidency, it was the intention of Government to bear the entire cost of the village service; consequently the customary fees due to village servants were not taken into account in determining the assessment which was fixed on the half net principle. Subsequently the idea of Government bearing the entire cost of village service was abandoned and an Act was passed authorizing Government to levy a cess from the ryots towards the cost in addition to land assessment. It was, however, held that the contributions which the Government had been in the habit of making prior to the survey and settlement were not to cease, whether such contributions were purely salary grants made from

the Treasury or were given in lieu of resumed inams and fees. Thus the contributions now made by Government consist of grants which were usually made by Government, either as salary grants or on account of lands or fees resumed or abolished.

3. But as pointed out by the Government of India the principle upon which the contributions are now being made is incorrect, inasmuch as the contributions made in lieu of fees resumed include the share of the ryot as well as of Government, while on the other hand no allowance is made to the Village Service Fund for the Government share of the fees which were not resumed but paid by ryots direct to the village servants up to the introduction of the new settlement rates, the same having been excluded from the gross produce in the former settlements. There is, however, no reason whatever why Government should be exempted entirely from contributing towards the salaries of village officers who are more the servants of Government than of the villagers.

4. According to immemorial usage, the State is under the obligation of contributing towards the cost of village service, inasmuch as Government have not only granted inam lands for the service but have also deducted in former settlements the fees of village officers from the gross produce prior to the determination of the respective shares of Government and the landholders, thus contributing more than half the cost. The correct course will therefore be to give up all existing contributions to the Village Service Fund, and demand from Imperial Revenues (1) a contribution equal to the value of inam lands resumed, and (2) a percentage of the land revenue equal to the rate allowed in former settlements or calculated at some other equitable rate. The value of inams resumed can be easily ascertained, but not the rates of deduction from the gross produce which formerly prevailed, as they varied not only in each district but also in different parts of the same district, and the matter is involved in much obscurity for want of records.

5. From the précis which accompanied the Board's letter to Government, dated 1st February 1862, No. 722, embodied in G.O., dated 1st June 1863, No. 935, it will be observed that the rates of village fees deducted from the gross produce varied from 4 to 20 per cent., but they included not only fees paid to village officers but also those payable to village artisans and for various charitable purposes. It being thus difficult to determine the exact amount allowed for the remuneration of Government servants only in each district, the Board, in paragraph 22 on their letter, dated 1st February 1862, No. 722, recommended a general deduction of  $6\frac{1}{2}$  per cent. from the settled demand in all districts as a charge on the land for the remuneration of village officers, but considering the present state of Imperial finances, and the fact that owing to the relief given to the ryots by equitable assessments they are able to contribute for village service more than they did under previous settlements, the Board are of opinion that it will suffice if half of the above rate be allowed in all districts alike *plus* the value of resumed inams. This, on the whole, will not be more than what the Government would have had to contribute, if, according to ancient usage and equity, fees had been deducted in the revised settlement from the gross produce before determination of the net half which constitutes the assessment.

6. In some districts, e.g., the Ceded Districts and Ganjam, it seems that the State has contributed no portion of the cost of village service in the form of fees, but, on the other hand, there were districts in which the Government contribution was much higher than that now proposed, viz.,  $3\frac{1}{2}$  per cent.; as it would be difficult to fix the amount payable from Imperial Revenues with reference to ancient usage in each district, and as all districts are in equity equally entitled to State help, the adoption of a uniform percentage for all appears to be the best way of meeting the difficulty. As observed by Government the cess collected under Act IV of 1864 represents only the ryots' share of the fees.

7. If these views are approved, the contributions which the Government will have to make in each of the districts or portions of districts already settled will be as shown below:—

| Districts.                              | Total Assessment of Ryotwari Holdings and Charge for Water. |               | 3½ per cent. of the Revenue. | Value of Inams resumed. | Total payable by Government or Columns 3 and 4. |             | Contributions now made which will cease. | Date of the Order in which the present Contribution has been authorized. | Remarks.                                                                                                                                                                                                                                                               |
|-----------------------------------------|-------------------------------------------------------------|---------------|------------------------------|-------------------------|-------------------------------------------------|-------------|------------------------------------------|--------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                         | 1                                                           | 2             | 3                            | 4                       | 5                                               | 6           |                                          | 7                                                                        |                                                                                                                                                                                                                                                                        |
| Godavari                                | ...                                                         | RS. 27,29,763 | RS. 85,305                   | RS. None.               | RS. 85,305                                      | RS. ...     | ...                                      | No special order ...                                                     | * For the whole district of Kistna.                                                                                                                                                                                                                                    |
| Guntur, portion of the Kistna District. | ...                                                         | 28,02,583     | 87,580                       | ...                     | 87,580                                          | (a) *38,059 | ...                                      | G.O., dated 31st Mar. 1881, No. 550.                                     |                                                                                                                                                                                                                                                                        |
| Nellore ...                             | ...                                                         | 19,89,213     | 62,163                       | None.                   | 62,163                                          | 6,940       | ...                                      | Board's Proceedings, dated 2nd June 1880, No. 748.                       |                                                                                                                                                                                                                                                                        |
| Cuddapah (Principal Division)...        | ...                                                         | 11,45,970     | 35,811                       | None.                   | 35,811                                          | 573         | ...                                      | ...                                                                      |                                                                                                                                                                                                                                                                        |
| Kurnool ...                             | ...                                                         | 11,04,116     | 34,503                       | None.                   | 34,503                                          | + None.     | ...                                      | ...                                                                      | + 6½ per cent. is deducted from the revenue, because that has been added to the assessment. It is not therefore regarded as a contribution from Imperial Revenues but a cess added to the assessment.                                                                  |
| Chingleput ...                          | ...                                                         | 15,72,855     | 49,151                       | None.                   | 49,151                                          | 13,300      | ...                                      | G.O., dated 6th Jan. 1881, No. 56.                                       | * The Village Service Act has not yet been introduced in this taluk. Deductions from the beriz are made as usual which are stated to amount to Rs. 31,634. It is not known how much of this is in lieu of inams resumed. The Collector has been called upon to report. |
| South Arcot (Chidambaram Taluk).        | ...                                                         | 7,06,061      | 22,065                       | Not known.              | 22,065                                          | + 31,634    | ...                                      | ...                                                                      |                                                                                                                                                                                                                                                                        |
| Trichinopoly ...                        | ...                                                         | 14,86,778     | 46,462                       | None.                   | 46,462                                          | 63,790      | ...                                      | G.O., dated 30th June 1865, No. 1490.                                    |                                                                                                                                                                                                                                                                        |
|                                         |                                                             |               |                              |                         |                                                 | 605         |                                          | Belonging to villages transferred from South Arcot District.             |                                                                                                                                                                                                                                                                        |
|                                         |                                                             |               |                              |                         |                                                 | 64,395      |                                          |                                                                          |                                                                                                                                                                                                                                                                        |

|           |     |           |          |            |          |             |                                          |                                                                          |
|-----------|-----|-----------|----------|------------|----------|-------------|------------------------------------------|--------------------------------------------------------------------------|
| Tinnevely | ... | 26,59,744 | 83,117   | Not known. | 83,117   | (a) 63,638  | No special order ...                     | The Collector has been called upon to report the value of inams resumed. |
| Salem     | ... | 15,51,957 | 48,498   | 97,285     | 1,45,783 | \$ 1,10,000 | \$ G.O., dated 13th Dec. 1879, No. 2287. |                                                                          |
|           |     |           |          |            |          |             | G.O., dated 9th Jan. 1872, No. 47.       |                                                                          |
| Total     | ... | ...       | 5,54,655 | 97,285     | 6,51,940 | 3,28,539    |                                          |                                                                          |

Note.—In the above table the Masulipatam portion of the Kistna District, is not included as assessment has been declared to include village fees at 1 anna a rupee.  
(e) These figures are taken from the Jamabundy report of Fasil 1289 and slightly differ from those given by the Settlement Department.

(True Copies and Extract.)

To the Secretary to Government, Revenue Department.  
" Member, Board of Revenue, in charge of Settlement Department.

Copy to the Collector of the Godavari District.

" " of the Kistna District.  
" " of Nellore.  
" " of Cuddapah.  
" " of Kurnool.  
" " of Chingleput.  
" " of South Arcot.  
" " of Trichinopoly.  
" " of Tinnevely.  
" " of Salem.

Exd. A. Grubert.

Spam Copies with bearing.

Revenue Department

No. 401

1881.  
Board of Revenue,  
MADRAS.

To

THE SECRETARY TO GOVT.,  
REVENUE DEPARTMENT,  
&c., &c., &c.

Printed December th.

Received 15-12-81

PROCEEDINGS, 3RD DEC. 1881, No. 3034.

SUBMITTING information required by Govern-  
ment of India regarding contributions from  
Imperial Revenue to Village Service Fund.

No. 3034.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 3rd December 1881.  
Read again the following Proceedings of the Board of Revenue, dated 23rd  
September 1881, No. 8771 (Miscellaneous).

Read the following Proceedings of the Madras Government, Revenue Department,  
dated 6th July 1881, No. 1749.

Read the following letter from the Government of India, Home, Revenue and Agri-  
culture Department, dated 13th June 1881, No. 319:—

I AM directed to acknowledge the receipt of the Proceedings of the Government  
of Madras, No. 550, dated 31st March last, regarding an annual contribution to the  
Village Service Fund in the Nellore District.

2. The settlement of the Nellore District was made in 1873—75, and it is under-  
stood that for ten years previous to May 1875 the fees of the Kavalgars or village  
watchmen, as of other village servants in the district, had been collected by Govern-  
ment and paid over to them. Subsequently on the introduction of the new assessments  
the collection of these fees ceased, the Board of Revenue having explained that the  
fees were merged in the revised rates. The payments to village establishments, which  
were about to be revised, were then made, pending this revision, from general  
revenues, and averaged some Rs. 6,940 for five years.

The Government of India is now asked to confirm the orders of the Govern-  
ment of Madras authorizing an annual contribution of this amount to the Nellore  
Village Service Fund, on the ground apparently that the amount of the grain fees due  
to the village watchers (who were formerly remunerated by inams or assignments in  
grain) was not deducted from the estimate of produce on which the revised rates of  
assessment were settled, with the result that the due was merged in the Government  
receipts and therefore properly payable out of them to the Kavalgars.

4. If there is no doubt that the dues were entirely merged in the Government  
receipts, the Governor-General in Council will have no objection to confirm the Pro-  
ceedings of the Government of Madras. The amount of the contribution has been  
calculated on the average fluctuating payments of recent years in accordance with the  
principle laid down in paragraph 6 of the letter of the Government of India, in the  
Revenue, Agriculture and Commerce Department, No. 157, dated the 18th March 1879.  
But in that case it was known that the inams, for which first a fluctuating and then a  
fixed payment was substituted, had actually been resumed for many years. In the  
present case it is not equally clear that Imperial Funds have benefitted to the full  
amount of the sum which it is proposed to charge against them. If, as the Govern-  
ment of India supposes, the assessment was based on half the net produce (i.e., the  
produce after deducting the expenses of cultivation), and if the value of the grain fee  
was merged in the produce estimate, then the Government, after the reassessment, appa-  
rently collected, not the equivalent of the whole of the fees, but the equivalent of half  
of them. In these circumstances it seems doubtful whether Imperial Revenues should  
pay a contribution to a local fund equal to the value of the whole of the fees, and the  
Governor-General in Council would be glad if the Government of Madras would  
explain more fully in what way the grain fees were included in the produce estimate at  
the time of the revision of the rates.

5. The Governor-General in Council further desires to know whether, in any  
districts besides Nellore and Salem, contributions are now made from Imperial Revenues  
to the Village Service Fund or to the pay of village establishments. If so, I am to ask  
what is the amount in each case of the contribution and upon what principles it has  
been calculated. It is understood that the revision of village establishments has  
hitherto followed the operations of the Revenue Survey Department, but that latterly

it has been the intention to effect it concurrently with the settlement. It may therefore be convenient to lay down some general rule for the future commutation of the fees or other emoluments of village servants into fixed annual payments. Does the Government of Madras consider that any such rule should be prescribed?

ORDER THEREON, 6th July 1881, No. 1749.

COMMUNICATED to the Board of Revenue who will report, in consultation with their First Member in charge of the Revenue Settlement Department, on the several points noticed by the Government of India. It appears to Government that the Government of India have failed to observe that the ryots' share of the fees is now levied from them in the form of village service cess.

(True Extract.)

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

REFERRED for the remarks of the Third Member in charge of Settlement.

(A true Copy and Extract.)

(Signed) E. GIBSON,  
Acting Secretary.

To the Third Member, Board of Revenue, in charge of the Settlement Department.

Read also the following letter from R. W. BARLOW, Esq., Acting Third Member, Board of Revenue, in charge of the Settlement Department, to the Secretary to the Board of Revenue, dated Madras, 28th October 1881, No. 2384-45.

I HAVE the honor to acknowledge the Proceedings of the Board of Revenue, Miscellaneous No. 8771, of the 23rd ultimo, forwarding for my remarks G.O., No. 1749, dated 6th July 1881, on letter from the Government of India, Home, &c., Departments, No. 319, dated 13th June 1881.

2. The questions asked by the Government of India are three—

I. Whether the amount of fees in this particular case in the Nellore District had been fully or partially taken into consideration when fixing the new assessment;

II. In what districts besides Nellore and Salem are such contributions made; and

III. What rule should be adopted for the future commutation of such fees or other emoluments of village offices into fixed annual payments.

3. As regards the first question, I beg to state that the village service fees have not been taken into consideration by the Settlement Department in determining the revised rates of assessment, either in Nellore or in any other district, except in four taluks of the Kurnool District, and the surmise of the Government of India expressed at the latter part of paragraph 4 of their letter quoted above is correct, viz., that the revised rates may be said to have included an equivalent of *half* the value of grain fees, inasmuch as the assessment was based on half the net produce, (i.e., the produce after deducting the expenses of cultivation), and the value of the grain fees was not excluded from the produce estimate as was done in former settlements.

4. With reference to the second question, I detail below what contributions have been made by Government in districts hitherto settled other than Salem:—

(1.) *Trichinopoly*.—A sum of Rs. 63,790 was deducted from the Imperial Revenue and credited to the Village Service Fund on account of "Katla Salavoo" under paragraph 3 of G.O., No. 1,490, dated 30th June 1865. This is an "allowance paid by the ryots to the Curnams as a remuneration for expenses for oil, cadjan, &c.,

in the preparation of the annual settlement accounts and as batta during their absence from the villages on public business." In some places the dues were entered in the puttass and collected by Government, while in others the ryots paid them direct in kind. These dues were in addition to the land assessment.

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(3.) *Kurnool*.—A sum equal to  $6\frac{1}{4}$  per cent. is being deducted from the Imperial Revenue and credited to the Village Service Fund in the four taluks of Kurnool Proper, as that percentage\* was added to the revised rates at the settlement on account of village service. The amount

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in which the cost of remuneration to village servants was included (*vide* paragraph 25 of the Board's Proceedings, No. 6927, dated 17th October 1862). The amount of deduction in Fasli 1289 was Rs. 34,123. Besides the above, there are other deductions from the beriz to the extent of Rs. 37,578 on account of ready-money payments, of which Rs. 12,624 represent payments made on account of resumed meras, and Rs. 24,954 salary grants from Imperial Revenue, under the authority conveyed in Board's Proceedings, dated 4th October 1879, No. 2795, and G.O., dated 28th November 1879, No. 2212.

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the Treasury or were given in lieu of resumed inams and fees. Thus the contributions now made by Government consist of grants which were usually made by Government, either as salary grants or on account of lands or fees resumed or abolished.

3. But as pointed out by the Government of India the principle upon which the contributions are now being made is incorrect, inasmuch as the contributions made in lieu of fees resumed include the share of the ryot as well as of Government, while on the other hand no allowance is made to the Village Service Fund for the Government share of the fees which were not resumed but paid by ryots direct to the village servants up to the introduction of the new settlement rates, the same having been excluded from the gross produce in the former settlements. There is, however, no reason whatever why Government should be exempted entirely from contributing towards the salaries of village officers who are more the servants of Government than of the villagers.

4. According to immemorial usage, the State is under the obligation of contributing towards the cost of village service, inasmuch as Government have not only granted inam lands for the service but have also deducted in former settlements the fees of village officers from the gross produce prior to the determination of the respective shares of Government and the landholders, thus contributing more than half the cost. The correct course will therefore be to give up all existing contributions to the Village Service Fund, and demand from Imperial Revenues (1) a contribution equal to the value of inam lands resumed, and (2) a percentage of the land revenue equal to the rate allowed in former settlements or calculated at some other equitable rate. The value of inams resumed can be easily ascertained, but not the rates of deduction from the gross produce which formerly prevailed, as they varied not only in each district but also in different parts of the same district, and the matter is involved in much obscurity for want of records.

5. From the précis which accompanied the Board's letter to Government, dated 1st February 1862, No. 722, embodied in G.O., dated 1st June 1863, No. 935, it will be observed that the rates of village fees deducted from the gross produce varied from 4 to 20 per cent., but they included not only fees paid to village officers but also those payable to village artisans and for various charitable purposes. It being thus difficult to determine the exact amount allowed for the remuneration of Government servants only in each district, the Board, in paragraph 22 on their letter, dated 1st February 1862, No. 722, recommended a general deduction of  $6\frac{1}{4}$  per cent. from the settled demand in all districts as a charge on the land for the remuneration of village officers, but considering the present state of Imperial finances, and the fact that owing to the relief given to the ryots by equitable assessments they are able to contribute for village service more than they did under previous settlements, the Board are of opinion that it will suffice if half of the above rate be allowed in all districts alike *plus* the value of resumed inams. This, on the whole, will not be more than what the Government would have had to contribute, if, according to ancient usage and equity, fees had been deducted in the revised settlement from the gross produce before determination of the net half which constitutes the assessment.

6. In some districts, e.g., the Ceded Districts and Ganjam, it seems that the State has contributed no portion of the cost of village service in the form of fees, but, on the other hand, there were districts in which the Government contribution was much higher than that now proposed, viz.,  $3\frac{1}{2}$  per cent.; as it would be difficult to fix the amount payable from Imperial Revenues with reference to ancient usage in each district, and as all districts are in equity equally entitled to State help, the adoption of a uniform percentage for all appears to be the best way of meeting the difficulty. As observed by Government the cess collected under Act IV of 1864 represents only the ryots' share of the fees.

7. If these views are approved, the contributions which the Government will have to make in each of the districts or portions of districts already settled will be as shown below:—

| Districts.                       | Total Assessment of Ryotwari Holdings and Charge for Water. | 3½ per cent. of the Revenue. | Value of Inams resumed. | Total payable by Government Columns 3 and 4. | Contributions now made which will cease. | Date of the Order in which the present Contribution has been authorized. | Remarks.                                                                                                                                                                                                                                                               |
|----------------------------------|-------------------------------------------------------------|------------------------------|-------------------------|----------------------------------------------|------------------------------------------|--------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1                                | 2                                                           | 3                            | 4                       | 5                                            | 6                                        | 7                                                                        | 8                                                                                                                                                                                                                                                                      |
| Godavari                         | RS. 27,29,763                                               | RS. 85,305                   | RS. None.               | RS. 85,305                                   | RS. ...                                  | ...                                                                      | * For the whole district of Kistna.                                                                                                                                                                                                                                    |
| Guntur, portion of the District. | 28,02,583                                                   | 87,580                       | ...                     | 87,580                                       | (a) 38,059                               | No special order ...                                                     |                                                                                                                                                                                                                                                                        |
| Nellore ...                      | 19,89,213                                                   | 62,163                       | None.                   | 62,163                                       | 6,940                                    | G.O., dated 31st Mar. 1881, No. 550.                                     |                                                                                                                                                                                                                                                                        |
| Cuddapah (Principal Division)... | 11,45,970                                                   | 35,811                       | None.                   | 35,811                                       | 573                                      | Board's Proceedings, dated 2nd June 1880, No. 748.                       |                                                                                                                                                                                                                                                                        |
| Kurnool ..                       | 11,04,116                                                   | 34,503                       | None.                   | 34,503                                       | + None.                                  | ...                                                                      | + 6½ per cent. is deducted from the revenue, because that has been added to the assessment. It is not therefore regarded as a contribution from Imperial Revenues but a cess added to the assessment.                                                                  |
| Chingleput ...                   | 15,72,855                                                   | 49,151                       | None.                   | 49,151                                       | 13,300                                   | G.O., dated 6th Jan. 1881, No. 56.                                       |                                                                                                                                                                                                                                                                        |
| South Arcot (Chidambaram Taluk). | 7,06,061                                                    | 22,065                       | Not known.              | 22,065                                       | + 31,634                                 | ...                                                                      | + The Village Service Act has not yet been introduced in this taluk. Deductions from the beriz are made as usual which are stated to amount to Rs. 31,634. It is not known how much of this is in lieu of inams resumed. The Collector has been called upon to report. |
| Trichinopoly ...                 | 14,86,778                                                   | 46,462                       | None.                   | 46,462                                       | 63,790                                   | G.O., dated 30th June 1865, No. 1490.                                    |                                                                                                                                                                                                                                                                        |
|                                  |                                                             |                              |                         |                                              | 605                                      | Belonging to villages transferred from South Arcot District.             |                                                                                                                                                                                                                                                                        |
|                                  |                                                             |                              |                         |                                              | 64,395                                   |                                                                          |                                                                                                                                                                                                                                                                        |

|           |           |          |            |          |            |                                         |                                                                          |
|-----------|-----------|----------|------------|----------|------------|-----------------------------------------|--------------------------------------------------------------------------|
| Tinnevely | 26,59,744 | 83,117   | Not known. | 83,117   | (a) 63,638 | No special order ...                    | The Collector has been called upon to report the value of inams resumed. |
| Salem     | 15,51,957 | 48,498   | 97,285     | 1,45,783 | 1,10,000   | § G.O., dated 13th Dec. 1879, No. 2287. |                                                                          |
| Total ... | ...       | 5,54,655 | 97,285     | 6,51,940 | 3,28,539   | G.O., dated 9th Jan. 1872, No. 47.      |                                                                          |

Note.—In the above table the Masulipatam portion of the Kistna District, is not included as assessment has been declared to include village fees at 1 anna a rupee.  
(a) These figures are taken from the Jamabundy report of Fasil 1289 and slightly differ from those given by the Settlement Department.

(True Copies and Extract.)

To the Secretary to Government, Revenue Department.  
" Member, Board of Revenue, in charge of Settlement Department.

Copy to the Collector of the Godavari District.

" of the Kistna District.

" of Nellore.

" of Cuddapah.

" of Kurnool.

" of Chingleput.

" of South Arcot.

" of Trichinopoly.

" of Tinnevely.

" of Salem.

Exd. A. Grubert.

(Signed) C. A. GALTON,  
Secretary.

No.

To be substituted  
the previous copy  
1881.

To

THE SECRETARY TO GOVT.,  
REVENUE DEPARTMENT,  
&c., &c., &c.

*Printed December 15th.*

Received

PROCEEDINGS, 3RD DEC. 1881, No. 3034.

SUBMITTING information required by Government of India regarding contributions from Imperial Revenue to *Village Service Fund*.

From Board of Revenue. Dated 3<sup>rd</sup> December 1851. no 3034.

FOR ORDERS.

— with reference to G. O. 2  
of 31<sup>st</sup> March and 6<sup>th</sup> July  
1881 nos 550 and 319 respectively.

I think that both Mr. Garton & the collector of the revenue failed to put the case at all clearly. or more the position is simply this. The instruments of the village officers (as the village officers are called) included in the list of village officers, & the certain grain fees. & the deduction from the gross produce of the village is the old settlement before the division between the State & the Ryot. The result of course being that State & Ryot are both equally in the communication of these officers & the Ryot & the Ryot & the Ryot. In the division of the settlement this deduction from the gross produce

C 22-12-87  
P 26-12-87

[illegible]

2) collected by Govt. with  
the assets. There also  
on the assumption the  
State pays nothing & the  
H. on account of the charges  
of the liability  
J. H. D. Chinglet.  
L. Govt. Timorly  
Cuddapah & Bellary. Cases  
from W. Barlow. The  
6 1/2 % is levied from the  
H. on acct. of the V. S. C. S.  
or is in course of being  
changed. I think. I think  
the Govt. must be the State  
to the Govt. cannot be the  
the Govt. cannot be the  
liability. I think only  
Express acct. W. Govt.  
have collected by the Govt.  
on acct. of other expenses  
due to the release of officers.  
Certainly from this and  
the Govt. or from the  
Express acct. given in  
the instances of this

origin, they do not 2: 27

present the equitable  
liability of Govt & Co.  
to the V.S. & the  
the equivalent of the  
share of the principles  
one to the Village of  
but now absorbed by  
Govt in its Land Rev.  
settlement & interest

The Govt has determined  
that the State should recognize  
its liability distinctly &  
contribute 3/4 of from its  
share to the V.S. & the  
though it is required to pay  
1/4. The disproportion being  
justified by conditions of  
the present state of the  
imperial finances &  
that owing to the relief  
given to the Govt by  
equitable access to the  
available & contribute from

VB

" Village twice more than  
the under previous settlement

The proposal is to distribute  
among five equal shares  
or pay, recognition of the  
theory of the State Rev. from  
the Land, containing  
of the practice from the  
earliest times of the  
Land & Co. The allowance  
of the deduction of grain fees  
of 1/4 of from the Govt  
as part of the expenses  
accepted by the State & the  
right given to distribute of the  
produce was an unquestioned  
the normal condition of  
the question. In some cases  
it may have been modified  
by abuses of power & etc.

The proposal also, a share  
to the Govt in the State  
income to their Pro. Assn.  
that the Govt had a share  
to the State & the V.S. & in  
the settled State & present  
in fact the State liability



of these officers who rendered  
Service to both. 26

3. In the Revision of the  
Settlement, this deduction from  
the gross produce was not  
made and the result was  
that the share of the produce  
taken by the Ryot and the State  
included in each case the  
Emoluments in the shape  
of Prami fees belonging to  
the Village Officers.

4. From the Ryot, however,  
has been collected, in lieu,  
a village-Service Cess at  
the rate of  $6\frac{1}{4}$  p.c. on his  
assessment, (1 anna in the  
Rupee) but no corresponding  
general contribution was  
made by the State out of its  
share of the produce, to the  
Village Service Fund, the  
assets of which  
consist of the Ryots' pay-  
ments of the Cess and of  
the quitrents imposed on  
certain Service Inam lands  
exempted from the  
obligation

condition of tenure.  
5. The result certainly  
is that as a rule, the State  
does not contribute now  
towards the remuneration  
of village officers, what  
they formerly did and  
are equitably bound to do.  
But in certain cases a  
contribution is made by the  
State to the fund calculated  
however on no definite  
principle.

6. Mr. Barlow gives  
particulars of these contribu-  
tions, and it will be seen  
that in no case do they  
recognise the fact that the  
State is, on the old theory  
of the Land Revenue Settle-  
ment, liable to pay for  
village service in the case  
of village officers - the same  
contribution as the Ryot.

7. No doubt in some  
cases it would appear that  
the State does pay to the Village  
Service fund the whole  
amount

amount which represents  
the resumed fees - but in  
these cases or certainly in  
most of them, the State  
also collects from the Ryot  
Village Service Cess in ad-  
dition to the assessment, so  
that if it pays away, on  
one hand, on account of  
the Ryot's liability for  
grain fees, as well as of its  
own, it collects from the  
Ryot on the other hand  
what it assumes to represent  
the Ryot's liability.

8. In Kurnool the Cess was  
added to the assessment  
at  $6\frac{1}{4}$  per cent. (presumably  
~~the V.S. Cess is not levied from~~  
~~the Ryots in addition~~) and  
the amount is deducted from  
the collections and credited  
to the V.S. Fund. The result is  
that the State contributes  
nothing on this account.

9. In the Krishna District  
the Government accepted  
the proposed rates for  
the

the revised assessment. It is  
on the Express understanding and  
that they should be held in cent  
to include the  $6\frac{1}{4}$  per cent. to the  
V.S. Cess. ~~Now also it is~~ the Ryot  
~~presumed the Cess is not~~  $6\frac{1}{4}$  the  
~~levied from the Ryot in~~ if justified  
addition) they pay over to Imperial re-  
the ~~same~~  $6\frac{1}{4}$  per cent from the it owing V.S.  
collections to the V.S. Fund, the Ryot's  
but on the above under-  
standing, this is simply  
the amount representing  
the Ryot's share collected  
by foot with the assessment,  
and here also on this  
assumption the State pays  
nothing to the Fund on Revenue  
account of its share of the  
liability.

10. In the Trichinopoly, of which  
Chingleput, S. Arcot, available  
Tinnevely, Cuddapah, deduction  
and hellose cases given up Offices  
by Mr Barlow, the  $6\frac{1}{4}$  part of the  
per cent. Expenses

per cent is levied from 30  
the Ryots on account of  
the V. S. cess or in course  
of being so charged and  
levied - (so that the payments  
made by the State to the  
Fund cannot represent  
the Ryots share of any  
liability, and can only  
represent assets which  
have been collected by the  
Government on account of  
other emoluments due to the  
village officers). Certainly from  
their amount and from the  
express account given in most  
instances of their origin, they  
do not represent the equitable  
liability of Government to  
contribute to the V. S. Fund  
the equivalent of its share  
of the grain fees due to the  
village officers but now  
absorbed by Govt. in its  
Land Revenue Settlement  
and Assessment.

11. The Board now re-  
commend that the State  
should

but it is not

the payments made by the State

31 should recognize its  
liability distinctly and  
contribute  $3\frac{1}{8}$  per cent  
from its Revenue to the  
V. S. Fund, while the Ryot  
is required to pay  $6\frac{1}{4}$ , the  
disproportion being justified  
by considerations of the  
present state of the Imperial  
finances and that owing  
to the relief given to the Ryots  
by equitable assessment  
they are able to contribute  
for village service more than  
they did under previous  
Settlements.

12. <sup>seems to think that the</sup> This proposal is destitute  
of any principle of equity or  
of any recognition of the  
theory of the State Revenue  
from the land, or at any  
rate of the practice from  
the earliest times of which  
any records are available.  
The allowance of the deduction  
of grain fees of Village Officers  
from the crop as part of the  
Expenses

Expenses accepted by the State and the Ryot prior to distribution of the produce, was unquestionably the normal condition of the question; however much it may have been modified by abuses of later date.

13. The proposal also, as set forth by the Board in the Statement annexed to their Proceedings, assumes that the payment made at present by the State to the V. S. Fund in the settled districts represents in part the State liability on account of the grain fees, but as has been shown above it represents nothing of the kind so far as the facts stated by Mr. Barlow go to show, or at least only in an infinitesimal degree.

14. The Board in effect propose

33 propose to relieve Govt. of its present payments in consideration of a future payment of  $3\frac{1}{8}$  percent on its land is the Revenue while it properly he owes  $6\frac{1}{4}$  percent to the Ind. Board (if at least the less charged on the Ryots is equitable) on account of the grain fees irrespective of the payments now made or at least of the bulk of them.

15. The result of their proposal is, that as regards districts already settled the State shall hereafter pay Rs 651940 to the village Service Fund and cease to pay Rs 328,539.7

But in this amount the discontinued is included the payment made by the State in Krishna District which as already pointed out represents the Ryots due to the Fund and there is

is no reason whatever  
why this sum should  
remain in the hands  
of Govt.

37

16. The whole proposal  
seems to His Excellency  
in Council crude in  
the extreme and destitute  
of principle in the details,  
and such as even in  
theory could not be sub-  
mitted to the Govt of India  
without particular in-  
formation as to the  
condition of the V.S. Fund  
and the requirements of  
the V. S. Establishment.  
The Govt. believe that the  
Establishment is starved  
as to numbers and (as to  
Emoluments, and that  
the Fund is insufficient  
at present to provide  
what is needed, and we  
think that the State is  
not paying what it  
owes to the Fund, but  
this

This must be all worked  
out in full detail before  
they can propose to the  
Govt of India to meet its  
equitable liabilities. The  
subject will accordingly be  
retransmitted to the Board  
for reconsideration.

List from orders

To  
Copy to the Secretary to the Govt of India  
Rev and asst Secy  
for information with reference  
to his letter of 13<sup>th</sup> June 1881  
no. 319 pending further report  
from the Board of Revenue.

no

86

9017-2-824/200.

C. No. 7015.

Village Service Fund.

Draft order.

To be received &amp; sent for the

Secy's approval.

The order need not be  
recirculated. Better to issue  
in M. S. to the Board to save  
further delay.

9/2/82 *[Signature]**[Signature]*

Draft Q. No. 200.

Proceedings of the Board of  
Revenue, dated 3<sup>d</sup> Decr. 1881, No  
3034.

1. The position is simply  
this.

The movements of the village  
officers (as distinguished from  
village artisans) included  
certain franchise, which were  
deducted from the gross  
produce under the old settle-  
ments before the division  
between the State and the  
Ryot, the result of course  
being that the State and the  
Ryot contributed equally  
to the remuneration of  
these officers who rendered  
service to both.

2. In the revision of the  
Settlement, this deduction  
from the gross produce  
was not made and the  
result was that the share

of the produce taken by the Ryot and the State included in each case the emoluments in the shape of grain fees ~~and~~ belonging to the village officers.

3. From the Ryot, however, has been collected, in lieu, a village-Service Cess at the rate of  $6\frac{1}{4}$  per cent on his assessment, (1anna in the rupee) but no corresponding General <sup>contribution</sup> has been made by the State out of its share of the produce, to the village Service Fund, the assets of which consist of the Ryots' payments of the Cess and of the quit rents ~~imposed~~ imposed on certain Service ~~from~~ lands enfranchised from the obligation of service as a condition of tenure.

4. The result certainly is that as a rule, the State does not contribute now towards the remuneration of village officers, what it formerly did and is equitably bound to do. But in certain cases a contribution

it

is made by the State to the fund calculated however on no definite principle.

5. Mr. Barlow gives particulars of these contributions and it will be seen that in no case do they recognize the fact that the State is, on the old theory of the Land Revenue Settlement, liable to pay for village service in the case of village officers the same contribution as the Ryot.

6. No doubt in some cases it would appear that the State does pay to the village Service Fund the whole amount which represents the resumed fees - but in these cases or certainly in most of them, the State also collects from the Ryot village Service Cess in addition to the assessment, so that if it pays away, on the one hand, on account of the Ryots' liability for grain fees, as well as of its own, it collects from the Ryot on the other hand what it assumes to represent the Ryots' liability

in

7. In Kurnool the  
Cess was added to the 40  
assessment at  $6\frac{1}{4}$  per  
cent, and the amount  
is deducted from the  
collections and credited  
to the Village Service Fund.  
The result is that the State  
contributes nothing on  
this account.

8. In the Krishna District  
the Government accepted  
the proposed rates for the  
revised assessment  
on the express understanding  
that they should be held  
to include the  $6\frac{1}{4}$  per  
cent Village Service Cess.  
They pay once the same from  
the collections to the Village  
Service Fund, but on the  
above understanding  
this is simply the amount  
representing the Ryots' share  
collected by Government  
with the assessment; and  
here also on this assump-  
-tion the State pays nothing  
to the Fund on account  
of its share of the liability.

9. In the Trichinopoly,  
Chingleput

41 Chingleput, S. Arcot, Tiru-  
-nevelly, Cuddapah and, C  
ellore cases given by Mr.  
Barlow, the  $6\frac{1}{4}$  per-cent  
is levied from the Ryots on  
account of the V.S. Cess or is  
in course of being so charged  
and levied. Certainly from  
their amount and from the M  
express account given in  
most instances of their origin  
the payments made by State  
do not represent the equitable  
liability of Government to  
contribute to the Village Service  
Fund the equivalent of its  
share of the franchise due  
to the village officers but  
now absorbed by govern-  
-ment in its Land Revenue  
Settlement and Assessment.

10. The Board now re-  
-commend that the State  
should recognize its liability  
distinctly and contribute  
 $3\frac{1}{8}$  per cent from its  
Revenue to the V. S. Fund,  
while the Ryot is required  
to pay  $6\frac{1}{4}$ , the disproportion  
being justified by  
Consideration

Considerations of the present  
state of the Imperial in-  
stances and that owing  
to the relief given to the  
Cingals by equitable as-  
sessment they are able  
to contribute for village  
service more than they did  
under previous settlements.

11. This proposal seems to  
the Right Honorable the  
Governor in Council to be  
destitute of any principle  
of equity or of any recognition  
of the theory of the State  
Revenue from the land,  
or at any rate of the  
practice from the earliest  
times of which any re-  
cords are available. The  
allowance of the deduction  
of franchise of village  
Officers from the crop  
as part of the expenses  
accepted by the State  
and the Ryot prior to  
distribution of the produce  
was unquestionably the

normal  
arrangement

normal condition of the principal  
question, however much and such  
may have been modified by  
abuses of later date. As to the  
12. The proposal also, as India with  
set forth by the Board in information  
the Statement annexed lion of  
to their Proceedings, assumes  
that the payment made to the re-  
at present by the State to of the U.S.  
the V.S. Fund in the settled. The fact  
Districts represents in part establish-  
the State liability on as to an  
account of these franchise, smole-  
but as has been shown at the  
above it represents nothing sufficient  
of the kind so far as the revenue  
facts stated by Mr. Barlow, and  
to show, or at least only that it is  
in an infinitesimal that it is  
degree.

13. The Board in effect or rather  
propose to relieve Govt. tail before  
of its present payments to the  
in consideration of a India  
future payment of the liabi-  
3 1/8 per cent on its Land and will  
Revenue while it properly be  
owes 6 1/4 per cent to the

7. Fund (if at least the Cess  
charged on the ryots is equitable)  
on account of the franchise  
irrespective of the pay-  
ments now made or at  
least of the bulk of them.

14. The result of their proposal  
is that as regards Districts  
already settled the State  
shall hereafter pay Rs  
65,1940 to the Village &  
Service Fund and cease  
to pay Rs 3,28,539. But in  
this amount to be dis-  
continued is included  
the payment made by the  
State in the Krishna District  
which as already pointed out  
represents the Ryots' due  
to the Fund and there  
is no reason whatever  
why this sum should  
remain in the hands  
of Government.

15. The whole proposal  
seems to His Excellency  
in Council crude  
and

and destitute of principle  
in the details, and such  
as even in theory could  
not be submitted to the  
Government of India without  
particular information  
as to the condition of the  
U.S. Fund and the re-  
quirements of the U.S.  
Establishments. The Govt  
believe that the Establish-  
ment is starved as to  
numbers and emolu-  
ments, and that the  
Fund is insufficient  
at present to provide  
what is needed, and  
think that the State is  
not paying what it  
owes to the Fund, but  
this must be worked  
out in full detail before  
they can propose to the  
Government of India  
to meet its equitable liab-  
ilities. The subject will  
accordingly be

retransmitted to the  
Board for reconsidera-  
-tion.

QUL

14<sup>th</sup> Feb 1902

List from orders.

M. S. C. 17  
To the Board of Revenue. Dated 20/2/02  
101 Bunshead copper, Co. 11/2/02

130  
2

89

48 C. No 7015

Village Service Fund

Draft Order.

GOVERNMENT OF MADRAS.

REVENUE DEPARTMENT.

17th February 1882, No. 200.

READ THE FOLLOWING PAPER:—

No. 208. Proceedings of the Board of Revenue, dated 3rd December 1881, No. 3034.

Read again the following Proceedings of the Board of Revenue, dated 23rd September 1881, No. 8771 (Miscellaneous).

Read the following Proceedings of the Madras Government, Revenue Department, dated 6th July 1881, No. 1749.

Read the following letter from the Government of India, Home, Revenue and Agriculture Department, dated 13th June 1881, No. 319:—

I AM directed to acknowledge the receipt of the Proceedings of the Government of Madras, No. 550, dated 31st March last, regarding an annual contribution to the Village Service Fund in the Nellore District.

2. The settlement of the Nellore District was made in 1873—75, and it is understood that for ten years previous to May 1875 the fees of the Kavalgars or village watchmen, as of other village servants in the district, had been collected by Government and paid over to them. Subsequently on the introduction of the new assessments the collection of these fees ceased, the Board of Revenue having explained that the fees were merged in the revised rates. The payments to village establishments, which were about to be revised, were then made, pending this revision, from general revenues, and averaged some Rs. 6,940 for five years.

3. The Government of India is now asked to confirm the orders of the Government of Madras authorizing an annual contribution of this amount to the Nellore Village Service Fund, on the ground apparently that the amount of the grain fees due to the village watchers (who were formerly remunerated by inams or assignments in grain) was not deducted from the estimate of produce on which the revised rates of assessment were settled, with the result that the due was merged in the Government receipts and therefore properly payable out of them to the Kavalgars.

4. If there is no doubt that the dues were entirely merged in the Government receipts, the Governor-General in Council will have no objection to confirm the Proceedings of the Government of Madras. The amount of the contribution has been calculated on the average fluctuating payments of recent years in accordance with the principle laid down in paragraph 6 of the letter of the Government of India, in the Revenue, Agriculture and Commerce Department, No. 157, dated the 18th March 1879. But in that case it was known that the inams, for which first a fluctuating and then a fixed payment was substituted, had actually been resumed for many years. In the present case it is not equally clear that Imperial Funds have benefited to the full amount of the sum which it is proposed to charge against them. If, as the Government of India supposes, the assessment was based on half the net produce (i.e., the produce after deducting the expenses of cultivation), and if the value of the grain fee was merged in the produce estimate, then the Government, after the reassessment, apparently collected, not the equivalent of the whole of the fees, but the equivalent of half of them. In these circumstances it seems doubtful whether Imperial Revenues should pay a contribution to a local fund equal to the value of the whole of the fees, and the Governor-General in Council would be glad if the Government of Madras would explain more fully in what way the grain fees were included in the produce estimate at the time of the revision of the rates.

5. The Governor-General in Council further desires to know whether, in any districts besides Nellore and Salem, contributions are now made from Imperial Revenues to the Village Service Fund or to the pay of village establishments. If so, I am to ask

what is the amount in each case of the contribution and upon what principles it has been calculated. It is understood that the revision of village establishments has hitherto followed the operations of the Revenue Survey Department, but that latterly it has been the intention to effect it concurrently with the settlement. It may therefore be convenient to lay down some general rule for the future commutation of the fees or other emoluments of village servants into fixed annual payments. Does the Government of Madras consider that any such rule should be prescribed?

ORDER THEREON, 6th July 1881, No. 1749.

COMMUNICATED to the Board of Revenue, who will report, in consultation with their First Member in charge of the Revenue Settlement Department, on the several points noticed by the Government of India. It appears to Government that the Government of India have failed to observe that the ryots' share of the fees is now levied from them in the form of village service cess.

(True Extract.)

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

REFERRED for the remarks of the Third Member in charge of Settlement.

(A true Copy and Extract.)

(Signed) E. GIBSON,  
Acting Secretary.

To the Third Member, Board of Revenue, in charge of the Settlement Department.

Read also the following letter from R. W. BARLOW, Esq., Acting Third Member, Board of Revenue, in charge of the Settlement Department, to the Secretary to the Board of Revenue, dated Madras, 28th October 1881, No. 2384-45.

I HAVE the honor to acknowledge the Proceedings of the Board of Revenue, Miscellaneous No. 8771, of the 23rd ultimo, forwarding for my remarks G.O., No. 1749, dated 6th July 1881, on letter from the Government of India, Home, &c., Departments, No. 319, dated 13th June 1881.

2. The questions asked by the Government of India are three—

- I. Whether the amount of fees in this particular case in the Nellore District had been fully or partially taken into consideration when fixing the new assessment;
- II. In what districts besides Nellore and Salem are such contributions made; and
- III. What rule should be adopted for the future commutation of such fees or other emoluments of village offices into fixed annual payments.

3. As regards the first question, I beg to state that the village service fees have not been taken into consideration by the Settlement Department in determining the revised rates of assessment, either in Nellore or in any other district, except in four taluks of the Kurnool District, and the surmise of the Government of India expressed at the latter part of paragraph 4 of their letter quoted above is correct, viz., that the revised rates may be said to have included an equivalent of *half* the value of grain fees, inasmuch as the assessment was based on half the net produce, (i.e., the produce after deducting the expenses of cultivation), and the value of the grain fees was not excluded from the produce estimate as was done in former settlements.

4. With reference to the second question, I detail below what contributions have been made by Government in districts hitherto settled other than Salem:—

(1.) *Trichinopoly*.—A sum of Rs. 63,790 was deducted from the Imperial Revenue and credited to the Village Service Fund on account of "Katla Salavoo"

under paragraph 3 of G.O., No. 1,490, dated 30th June 1865. This is an "allowance paid by the ryots to the Curnams as a remuneration for expenses for oil, cadjan, &c., in the preparation of the annual settlement accounts and as batta during their absence from the villages on public business." In some places the dues were entered in the puttass and collected by Government, while in others the ryots paid them direct in kind. These dues were in addition to the land assessment.

(2.) *Chingleput*.—Rs. 13,300 is being paid out of the Imperial Revenue in lieu of resumed fees (*vide* Board's Proceedings, dated 1st November 1880, No. 1,656).

(3.) *Kurnool*.—A sum equal to  $6\frac{1}{4}$  per cent. is being deducted from the Imperial Revenue and credited to the Village Service Fund in the four taluks of Kurnool Proper, as that percentage\* was added to the revised rates at the settlement on account of village service. The amount so deducted in Fasli 1289 was Rs. 31,541. This is in reality no contribution from Imperial Revenues, but village cess first incorporated with the land assessment and then again deducted from the same.

(4.) *Kistna*.—In the Masulipatam portion of the district, a sum equal to  $6\frac{1}{4}$  per cent. is deducted from the Revenue demand and credited to the Village Service Fund. No special addition was made to the rates of assessment as in Kurnool on account of this annual deduction, but the new rates of assessment have been declared by Government to include village service cess to the extent of  $6\frac{1}{4}$  per cent., because the results of the revised settlement exhibited a great increase of revenue taxation when compared with the former settlement in which the cost of remuneration to village servants was included (*vide* paragraph 25 of the Board's Proceedings, No. 6927, dated 17th October 1862). The amount of deduction in Fasli 1289 was Rs. 34,123. Besides the above, there are other deductions from the beriz to the extent of Rs. 37,578 on account of ready-money payments, of which Rs. 12,624 represent payments made on account of resumed meras, and Rs. 24,954 salary grants from Imperial Revenue, under the authority conveyed in Board's Proceedings, dated 4th October 1879, No. 2795, and G.O., dated 28th November 1879, No. 2212.

(5.) *Chidambaram Taluk of the South Arcot District*.—A sum of Rs. 31,634 is deducted from the Imperial Revenue and credited to the Village Service Fund on account of resumed meras and inams. I cannot ascertain from settlement records how much of this sum represents the value of inams resumed and how much the value of resumed fees. The Collector has been requested to report.

(6.) *Tinnevely*.—A sum of Rs. 58,985 is being contributed in this district apparently on account of resumed inams and fees and other salary grants formerly paid by Government. There is nothing in this office to show how much represents the value of inams resumed and how much the value of resumed fees or salary grants.

(7.) *Principal Division Taluks of Cuddapah*.—A sum of Rs. 573 is paid from the Imperial Treasury. This represents the salary grants formerly paid from such revenues.

(8.) *Nellore*.—The contribution now paid in Nellore—the particular case under reference—represents fees which were deducted from the gross produce of the land in a small portion of this district and set aside for the cost of village watchmen. These were, however, not added to the share payable to Government by the ryot and incorporated with the land assessment, but were allowed to be paid direct by the ryots to the Village Police servants concerned. In 1866, this system was abolished, and these fees were collected by Government from the ryots and paid to the watchmen. On the introduction of the new settlement, however—in which, as already pointed out, such fees were not taken into consideration—the collection from the ryots of the aforesaid joint contribution of fees ceased, and their share of the contribution became merged in the village cess. The Government share only is therefore payable from the Imperial Revenue.

4 REVENUE DEPARTMENT, 17TH FEBRUARY 1882, No. 200.

5. As regards the third and most important question raised by the Government of India, I must observe that when the Settlement Department was first started, it seems to have been in contemplation that Government should bear the entire cost of the village service. In paragraph 47 of their Proceedings, No. 4044, dated 19th November 1857, the Board observed that "the village officials who are in fact servants of Government should be paid by a percentage on the village collections," and Government\* concurred in this view. It was, however, finally decided that a cess should be imposed in lieu of the varying and irregular payments of fees by the ryots, which together with the contributions† from Imperial Funds might suffice to render the village establishments really efficient, and hence Act IV of 1864. Later on in 1865, at the close of paragraph 2 and paragraph 3 of the Proceedings of the Madras Government, dated 30th June, No. 1490, it was laid down that "such assessment having been pitched at a higher rate than elsewhere‡ in consequence of no deduction on account of the liability to pay fees having been made from the estimate of the produce divisible between Government and the ryots.

"Such being the case, it is evident that the operation of the Village Cess Act cannot and ought not to be such as to relieve Government from providing for the charge hitherto borne by the general revenues on this account, and the payment of which is in fact only a *quid pro quo*."

6. On a careful consideration of past correspondence and orders, I conclude that recommendations for the whole amount of village service contributions being met from Imperial Funds cannot be sustained, unless it is conceded that village establishments, as was first contemplated, are to be a State charge in full—a view which I consider cannot be adopted, having regard to the recent Village Cess Act.

Further, that State funds are generally only liable for half such payments, as suggested by the Government of India, and this principle must be extended to all districts as the settlement proceeds, and equally, whether such fees have been hitherto paid by the ryots direct, or have been resumed, *i.e.*, added to assessment, and paid by Government to village servants, as Government is relieved of the moiety borne by them under former settlements owing to the non-deduction as before of these fees from the gross produce, when calculating the new assessment.

As regards the rule to be adopted for future commutation, it seems to me desirable, considering how greatly the percentage for these fees varies§, according to old accounts in the several districts, that some uniform percentage rate of commutation should be fixed by the Board; but if this principle is applied to the districts already settled, a revision of the contributions hitherto made therein will be necessary.

SUBMITTED to Government with reference to G.O., dated 6th July 1881, No. 1749.

2. The facts of the case are briefly as follows:—When the survey and settlement were undertaken in this Presidency, it was the intention of Government to bear the entire cost of the village service; consequently the customary fees due to village servants were not taken into account in determining the assessment which was fixed on the half net principle. Subsequently the idea of Government bearing the entire cost of village service was abandoned and an Act was passed authorizing Government to levy a cess from the ryots towards the cost in addition to land assessment. It was, however, held that the contributions which the Government had been in the habit of making prior to the survey and settlement were not to cease, whether such contributions were purely salary grants made from

the Treasury or were given in lieu of resumed inams and fees. Thus the contributions now made by Government consist of grants which were usually made by Government, either as salary grants or on account of lands or fees resumed or abolished.

3. But as pointed out by the Government of India the principle upon which the contributions are now being made is incorrect, inasmuch as the contributions made in lieu of fees resumed include the share of the ryot as well as of Government, while on the other hand no allowance is made to the Village Service Fund for the Government share of the fees which were not resumed but paid by ryots direct to the village servants up to the introduction of the new settlement rates, the same having been excluded from the gross produce in the former settlements. There is, however, no reason whatever why Government should be exempted entirely from contributing towards the salaries of village officers who are more the servants of Government than of the villagers.

4. According to immemorial usage, the State is under the obligation of contributing towards the cost of village service, inasmuch as Government have not only granted inam lands for the service but have also deducted in former settlements the fees of village officers from the gross produce prior to the determination of the respective shares of Government and the landholders, thus contributing more than half the cost. The correct course will therefore be to give up all existing contributions to the Village Service Fund, and demand from Imperial Revenues (1) a contribution equal to the value of inam lands resumed, and (2) a percentage of the land revenue equal to the rate allowed in former settlements or calculated at some other equitable rate. The value of inams resumed can be easily ascertained, but not the rates of deduction from the gross produce which formerly prevailed, as they varied not only in each district but also in different parts of the same district, and the matter is involved in much obscurity for want of records.

5. From the précis which accompanied the Board's letter to Government, dated 1st February 1862, No. 722, embodied in G.O., dated 1st June 1863, No. 935, it will be observed that the rates of village fees deducted from the gross produce varied from 4 to 20 per cent., but they included not only fees paid to village officers but also those payable to village artisans and for various charitable purposes. It being thus difficult to determine the exact amount allowed for the remuneration of Government servants only in each district, the Board, in paragraph 22 on their letter, dated 1st February 1862, No. 722, recommended a general deduction of  $6\frac{1}{4}$  per cent. from the settled demand in all districts as a charge on the land for the remuneration of village officers, but considering the present state of Imperial finances, and the fact that owing to the relief given to the ryots by equitable assessments they are able to contribute for village service more than they did under previous settlements, the Board are of opinion that it will suffice if half of the above rate be allowed in all districts alike *plus* the value of resumed inams. This, on the whole, will not be more than what the Government would have had to contribute, if, according to ancient usage and equity, fees had been deducted in the revised settlement from the gross produce before determination of the net half which constitutes the assessment.

6. In some districts, *e.g.*, the Ceded Districts and Ganjam, it seems that the State has contributed no portion of the cost of village service in the form of fees, but, on the other hand, there were districts in which the Government contribution was much higher than that now proposed, *viz.*,  $3\frac{1}{2}$  per cent.; as it would be difficult to fix the amount payable from Imperial Revenues with reference to ancient usage in each district, and as all districts are in equity equally entitled to State help, the adoption of a uniform percentage for all appears to be the best way of meeting the difficulty. As observed by Government the cess collected under Act IV of 1864 represents only the ryots' share of the fees.

7. If these views are approved, the contributions which the Government will have to make in each of the districts or portions of districts already settled will be as shown below:—

| Districts.                              | Total Assess-<br>ment of Ryot-<br>wari Holdings<br>and Charge<br>for Water. | 3½ per<br>cent. of<br>the Rev-<br>enue. | Value of<br>Inams re-<br>sumed. | Total pay-<br>able by<br>Govern-<br>ment or<br>Columns<br>3 and 4. | Contribu-<br>tions now<br>made which<br>will cease. | Date of the Order in<br>which the present<br>Contribution has<br>been authorized. | Remarks.                                                                                                                                                                                                                                                               |
|-----------------------------------------|-----------------------------------------------------------------------------|-----------------------------------------|---------------------------------|--------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1                                       | 2                                                                           | 3                                       | 4                               | 5                                                                  | 6                                                   | 7                                                                                 | 8                                                                                                                                                                                                                                                                      |
| Godavari ... ..                         | Rs. 27,29,763                                                               | Rs. 85,305                              | Rs. None.                       | Rs. 85,305                                                         | Rs. ...                                             | ...                                                                               | * For the whole district of Kistna.                                                                                                                                                                                                                                    |
| Guntūr, portion of the Kistna District. | 28,02,583                                                                   | 87,580                                  | ...                             | 87,580                                                             | (a) *38,059                                         | No special order ...                                                              |                                                                                                                                                                                                                                                                        |
| Nellore ... ..                          | 19,89,213                                                                   | 62,163                                  | None.                           | 62,163                                                             | 6,940                                               | G.O., dated 31st Mar. 1881, No. 550.                                              |                                                                                                                                                                                                                                                                        |
| Cuddapah (Principal Division)...        | 11,45,970                                                                   | 35,811                                  | None.                           | 35,811                                                             | 573                                                 | Board's Proceedings, dated 2nd June 1880, No. 748.                                |                                                                                                                                                                                                                                                                        |
| Kurnool ... ..                          | 11,04,116                                                                   | 34,503                                  | None.                           | 34,503                                                             | + None.                                             | ...                                                                               | + 6½ per cent. is deducted from the revenue, because that has been added to the assessment. It is not therefore regarded as a contribution from Imperial Revenues but a cess added to the assessment.                                                                  |
| Chingleput ... ..                       | 15,72,855                                                                   | 49,151                                  | None.                           | 49,151                                                             | 13,300                                              | G.O., dated 6th Jan. 1881, No. 56.                                                |                                                                                                                                                                                                                                                                        |
| South Arcot (Chidambaram Taluk).        | 7,06,061                                                                    | 22,065                                  | Not known.                      | 22,065                                                             | + 31,634                                            | ...                                                                               | * The Village Service Act has not yet been introduced in this taluk. Deductions from the beriz are made as usual which are stated to amount to Rs. 31,634. It is not known how much of this is in lieu of inams resumed. The Collector has been called upon to report. |
| Trichinopoly ... ..                     | 14,86,778                                                                   | 46,462                                  | None.                           | 46,462                                                             | 63,790                                              | G.O., dated 30th June 1865, No. 1490.                                             |                                                                                                                                                                                                                                                                        |
|                                         |                                                                             |                                         |                                 |                                                                    | 605                                                 | Belonging to vil-<br>lages transferred<br>from South Arcot<br>District.           |                                                                                                                                                                                                                                                                        |
|                                         |                                                                             |                                         |                                 |                                                                    | 64,395                                              |                                                                                   |                                                                                                                                                                                                                                                                        |

|                  |           |          |            |          |            |                                         |                                                                          |
|------------------|-----------|----------|------------|----------|------------|-----------------------------------------|--------------------------------------------------------------------------|
| Tinnevely ... .. | 26,59,744 | 83,117   | Not known. | 83,117   | (a) 63,638 | No special order ...                    | The Collector has been called upon to report the value of inams resumed. |
| Salem ... ..     | 15,51,957 | 48,498   | 97,285     | 1,45,783 | § 1,10,000 | § G.O., dated 13th Dec. 1879, No. 2287. |                                                                          |
|                  |           |          |            |          |            | G.O., dated 9th Jan. 1872, No. 47.      |                                                                          |
| Total ...        | ...       | 5,54,655 | 97,285     | 6,51,940 | 3,28,539   |                                         |                                                                          |

NOTE.—In the above table the Masulipatam portion of the Kistna District, is not included as assessment has been declared to include village fees at 1 anna a rupee.  
(c) These figures are taken from the Jamabundy report of East 1289 and slightly differ from those given by the Settlement Department.

(True Copies and Extract.)

(Signed) C. A. GALTON,  
Secretary.

No. 209. ORDER THEREON, 17th February 1882, No. 200.

Land Revenue, No. 5.

THE position is simply thus—

The emoluments of the village officers (as distinguished from village artizans) included certain grain-fees, which were deducted from the gross produce under the old settlements before the division between the State and the Ryot, the result of course being that the State and the Ryot contributed equally to the remuneration of these officers who rendered service to both.

2. In the revision of the Settlement, this deduction from the gross produce was not made, and the result was that the share of the produce taken by the Ryot and the State included in each case the emoluments in the shape of grain-fees belonging to the village officers.

3. From the Ryot, however, has been collected, in lieu, a village service cess at the rate of  $6\frac{1}{2}$  per cent. on his assessment (one anna in the rupee); but no corresponding *general* contribution has been made by the State out of its share of the produce to the Village Service Fund, the assets of which consist of the Ryots' payments of the cess and of the quit-rents imposed on certain Service Inam lands enfranchised from the obligation of service as a condition of tenure.

4. The result certainly is that as a rule, the State does *not* contribute now towards the remuneration of village officers, what it formerly did and is equitably bound to do. But in certain cases a contribution *is* made by the State to the fund calculated however on no definite principle.

5. Mr. Barlow gives particulars of these contributions, and it will be seen that in no case do they recognize the fact that the State is, on the old theory of the land revenue settlement, liable to pay for village service in the case of village officers—the *same* contribution as the Ryot.

6. No doubt in some cases it would appear that the State does pay to the Village Service Fund the *whole* amount which represents the resumed fees—but in these cases or certainly in most of them, the State also collects from the Ryot village service cess in addition to the assessment, so that if it pays away, on the one hand—on account of the Ryots' liability for grain-fees, as well as of its own, it collects from the Ryot on the other hand what it assumes to represent the Ryots' liability.

7. In Kurnool the cess was *added* to the assessment at  $6\frac{1}{2}$  per cent., and the amount is deducted from the collections and credited to the Village Service Fund. The result is that the State contributes *nothing* on this account.

8. In the Kistna District the Government accepted the proposed rates for the revised assessment—on the express understanding that they should be held to include the  $6\frac{1}{2}$  per cent. village service cess. They pay over the same from the collections to the Village Service Fund, but on the above understanding this is simply the amount representing the *Ryots'* share collected by Government with the assessment; and here also on this assumption the State pays *nothing* to the Fund on account of its share of the liability.

9. In the Trichinopoly, Chingleput, South Arcot, Tinnevely, Cuddapah and Nellore, cases given by Mr. Barlow, the  $6\frac{1}{2}$  per cent. is levied from the Ryots on account of the village service cess or is in course of being so charged and levied. Certainly from their amount and from the express account given in most instances of their origin, the payments made by the State do *not* represent the equitable liability of Government to contribute to the Village Service Fund the equivalent of its share of the grain-fees due to the village officers, but now absorbed by Government in its land revenue settlement and assessment.

10. The Board now recommend that the State should recognize its liability distinctly and contribute  $3\frac{1}{2}$  per cent. from its revenue to the Village Service Fund, while the Ryot is required to pay  $6\frac{1}{2}$ , the disproportion being justified by considerations of "the present state of the Imperial finances and that owing to the relief

given to the Ryots by equitable assessment they are able to contribute for village service more than they did under previous settlements."

11. This proposal seems to the Right Honorable the Governor in Council to be destitute of any principle of equity or of any recognition of the theory of the State revenue from the lands or at any rate of the practice from the earliest times of which any records are available. The allowance of the deduction of grain-fees of village officers from the crop as part of the expenses accepted by the State and the Ryot prior to distribution of the produce was unquestionably the normal condition of the question, however much it may have been modified by abuses of later date.

12. The proposal also, as set forth by the Board in the Statement annexed to their Proceedings, assumes that the payment made at present by the State to the Village Service Fund in the settled Districts represents in part the State liability on account of these grain-fees, but as has been shown above it represents nothing of the kind so far as the facts stated by Mr. Barlow go to show, or at least only in an infinitesimal degree.

13. The Board in effect propose to relieve Government of its present payments in consideration of a future payment of  $3\frac{1}{2}$  per cent. on its land revenue, while it properly owes  $6\frac{1}{2}$  per cent. to the Fund (if at least the cess charged on the Ryots is equitable) on account of the grain-fees *irrespective* of the payments now made or at least of the bulk of them.

14. The result of their proposal is that in regards Districts already settled, the State shall hereafter pay Rs. 6,51,940 to the Village Service Fund and cease to pay Rs. 3,28,539. But in this amount to be discontinued is included the payment made by the State in the Kistna District which is already pointed out represents the *Ryots' due* to the Fund and there is no reason whatever why this sum should remain in the hands of Government.

15. The whole proposal seems to His Excellency in Council crude and destitute of principle in the details, and such as even in theory could not be submitted to the Government of India without partial information as to the condition of the Village Service Fund and the requirements of the Village Service Establishment. The Government believe that the Establishment is starved as to numbers and emoluments, and that the Fund is insufficient at present to provide what is needed, and think that the State is not paying what it owes to the Fund, but this must be worked out in full detail before they can propose to the Government of India to meet its equitable liabilities. The subject will accordingly be retransmitted to the Board for reconsideration.

(True Extract.)

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

To the Board of Revenue.

Exd. W. H. French.

130 Copies.

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Dept. of the  
REVENUE

THE BOARD OF REVENUE

17th February 1918

1st March 1918

G.O. 17th February 1918

FEBRUARY  
Nos. 208-209.

Station.  
The Service Fund.—Contributions  
Reserve Fund.—Passing to  
Proceedings.—  
La subvención.

