

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 2446

Press
Mis.

347. 351

Dated 17 — 10 — 1867.

Not to be folded or roughly handled

*Proceedings of the Madras Government, Revenue Department,
17th October 1867.*

Read the following papers:—

No. 347. Proceedings of the Board of Revenue, dated 26th September 1865,
No. 6,008.

The Board observe that the receipts entered in the statement annexed to paragraph 13 of the Administration Report of the Accountant General for the past year, a copy of which has been received by the Board, do not correspond with the totals obtained from the Collectors' Returns received for the compilation of the General Statement embodied in the Revenue Administration Report prepared in the Board's Office; and that large variations appear under several heads of Revenue. In entering the figures in the statement, the Accountant General has apparently taken round numbers, though in the headings it is stated that the actual income of the year is represented. To ascertain in what districts differences exist between the two sets of accounts, the Accountant General will be requested to furnish the Board with a statement, showing the collections in each district for the year 1864-65, under the several heads of Revenue, as entered in the following abstract:—

Items.	As per Accountant General's Administration Report.	As per Board's Administration Report.	Increase.	Decrease.
	RS.	RS.	RS.	RS.
I. Land Revenue	4,18,77,000	4,18,11,620	...	65,680
2. Forest	2,92,000	2,92,527	527	...
3. Abkarry	39,63,000	39,60,490	...	2,510
II. Assessed Taxes	14,54,000	14,65,652	11,652	...
III. Customs	20,38,000	20,38,779	779	...
IV. Salt	1,03,61,000	1,03,45,973	...	15,027
VI. Stamps	26,99,000	26,83,918	...	15,082
Moturpha	...	2,518	2,518	...
Total ...	6,26,81,000	6,26,01,477	15,476 Net	97,999 82,523

No. 348. Proceedings of the Board of Revenue, dated 19th January 1866, No. 461,
Read the following letter from the Accountant General to the Government of
Madras, to the Acting Secretary to the Board of Revenue, dated Fort St.
George, 13th October 1865, No. 2,477.

With reference to the Proceedings of the Board of Revenue, No. 6,008, dated the 26th ultimo, I have the honor to enclose a Memorandum shewing the collections in each district, during the past official year, under the several heads of Revenue as exhibited in the Annual Statement of actual receipts and disbursements now under preparation in this Office. The figures of this return differ slightly from those given in my Administration Report, consequent on certain alterations which were found to be necessary subsequent to the despatch of that Report. The differences are noted with an * in the accompanying Memorandum.

ENCLOSURE No. 1.

ABSTRACT.—Statement shewing the collections in each district during the year 1864-65 under the several heads of Revenue.

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1. With the above letter, the Accountant General forwards the Memorandum of Collections of Revenue in each district, requested in the Board's Proceedings, dated 26th September 1865, No. 6,008, observing that the figures entered therein will be found to differ slightly from those given in his Administration Report, in consequence of certain alterations having been found necessary subsequent to the despatch of that report. The Board, however, observe that even according to the present Memorandum the figures do not correspond with those obtained from the Collectors' Returns received in this Office, as will be seen from the subjoined abstract, though properly there ought to be no difference—both Returns having been prepared from the same materials.

Items.	As given by the Accountant General in his Administration Report.	As now revised by the Accountant General.	As obtained from the Collectors' Returns, and entered in the Board's Administration Report.	Difference between Columns 3 and 4.
1	2	3	4	5
	RS.	RS.	RS.	RS.
I. Land Revenue... ..	41,877,000	41,816,451	41,811,620	— 34,831
2. Forest	2,92,000	2,98,510	2,92,527	— 5,982
3. Abkarry	3,963,000	3,960,538	3,960,490	— 48
II. Assessed Taxes	1,454,000	1,281,165	1,467,652	+1,81,487
III. Customs	2,038,000	2,038,780	2,038,779	— 1
IV. Salt	10,361,000	10,360,783	10,345,973	— 14,810
VI. Stamps... ..	2,699,000	2,694,090	2,683,918	— 10,172
Moturpha	...	434	2,518	+ 2,084
Total ...	62,684,000	62,480,751	62,601,477	+1,20,726

2. First, as regards the Land Revenue receipts, it will be observed that there is a difference of Rupees 34,831; this is owing to the inclusion in the Accountant

As entered by the Accountant General.	As entered in the Collectors' Returns.	Difference.
Godavery ... 35,42,232	35,38,604	—3,638
Kistna ... 28,00,966	28,00,004	+ 38
Madras ... 15,81,905	15,81,945	+ 40
Trichinopoly 13,35,039	13,35,666	+ 627
Salem ... 21,60,989	21,69,571	+8,582
Net difference		+5,659

General's Statement of Rupees 55,306, being the revenue derived from Mysore and Travancore; to the exclusion of Rupees 14,814, being the revenue from earth-salt in Bellary and Kurnool, and to the differences in certain districts noted in the margin. Similar differences exist in the other items of revenue also, except Customs; but there is no need to examine them in detail. Most of them appear to have arisen from alterations having been made in the Accountant General's Office without any reference to the Collectors or the Board. On this system it will be impossible to maintain that agreement between the Returns from the two Offices, so often desired by Government.

3. The revenue from earth-salt in Bellary and Kurnool is usually credited to "Land Revenue Miscellaneous" in the Collector's Accounts and the Board's

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Returns; but the Accountant General has carried it to the credit of the head of "Salt." The Board are of opinion that such alterations should not be made without reference to them and the express sanction of Government. The Board are still of opinion that the revenue from earth-salt is properly credited to "Land Revenue Miscellaneous," as no regular Salt revenue is derived from the districts of Bellary and Kurnool. The orders of Government will, however, be requested on this point, and if the Government should decide that the course followed by the Accountant General is correct, the same will, of course, be adopted in the Board's Returns also—as it is highly desirable to preserve due agreement between the two Returns as far as possible.

4. In connexion with this subject, the Board deem it necessary to bring to the notice of Government that the Accountant General has, in his Circular No. 10, dated 14th September 1865, prohibited all adjustments between districts. This may be proper in the case of the pay of such Officers as the Inspector General of Prisons, and of the payment of pensions, &c.; but the rule is made applicable to the cases of the receipts of land and other items of revenue, which must certainly cause endless confusion in the Collectors' accounts, and seriously destroy every means of check over them. Under the present Circular of the Accountant General, the land revenue of one district paid in another is treated as the revenue of the district in which it was actually received, and accordingly entered in the accounts, though in the Statement of Demand Collection and Balance submitted to the Board the same amount cannot be shewn. The system hitherto followed, when money was received in one district on account of another, was to grant a bill to the payer for the amount on the Collector of the district to which the revenue belonged, receiving also the usual fee of one rupee for the bill according to the rules for granting bills. The Board do not understand why this system, which is in every respect advantageous, should not be continued without infringing the rules of the Supreme Government: because, properly speaking, it is no adjustment between districts; the party pays the money into a treasury, obtains the bill paying the usual fee, and forwards it to the district in which the payment should properly be made. It is hardly necessary to point out to Government how difficult it must be to balance the accounts of the districts under the instructions of the Accountant General. The correspondence which should be preserved between the Returns of this Officer and those of the Board of Revenue will be completely destroyed—not to speak of the great confusion in the accounts of the Collectors. The Board do not think that the Government of India can ever have contemplated such a result by the introduction of the new system of accounts, and it is desirable that the Government should consider the matter and pass such early orders, as they may deem expedient, to put a stop to the evils now brought to notice, before they become irremediable.

Referred to the Accountant General for his remarks.

5th February 1866.

(Signed) J. D. SIM,
Secretary to Government.

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No. 349. From the Accountant General, to the Secretary to Government, Revenue Department, Fort St. George, dated 23rd February 1866, No. 283.

1. I have the honor to acknowledge the receipt of the Orders of Government, under date the 5th instant, referring, for my remarks, the Proceedings of the Board of Revenue, dated the 19th ultimo, No. 461, commenting on certain differences which appear between the Statements of this Office and that of the Board of Revenue in respect to the Revenue Collections of 1864-65, and objecting to the issue by me of Circular, No. 10, dated 14th September last, prohibiting all adjustments between districts.

2. In regard to the third paragraph of the Board's Proceedings, I beg to observe that the accounts prepared in this Office are required to shew, under certain heads,

Credited in the accounts of the Officer in charge of H. M.'s Treasury, Bangalore.		the entire receipts and disbursements of this Presidency, and so long, therefore,
Recovery from the Mysore State on account of commutation for the collections of the Island of Seringapatam	rs. 50,000	as the Board exclude from their Statements, the revenues derived from the sources noted in the margin, there will always be a difference between the two
Credited in the accounts of the Resident at Travancore, rent of the Catadilly Farm at Anjengo	1,450	Returns to that extent; but as this difference will be always the same, recurring year after year, it will in no wise vitiate a comparison between the two accounts.
Collections at Anjengo, being sale proceeds of Tobacco	3,856	
Total	55,306	

3. With regard to the second objection raised by the Board to the credit of the revenue from earth-salt in Bellary and Kurnool, to the head of "Salt," instead of to "Land Revenue Miscellaneous," as heretofore, I beg to observe that, in selecting the former credit head, I acted under instructions directly received from the Comptroller General of Accounts, whose directions on these subjects I am bound implicitly to carry out. The accounts of this Presidency, as the Government are aware, are now prepared with a view to their consolidation with the Returns from the other Presidencies in one general account for the whole empire, and one of the main objects in the creation of the Central Office of Accounts, was to bring the several accounts into unison with each other, which can be done only by the adoption of common heads, and which heads are determined by the Comptroller General of Accounts applicable to all.

4. Adverting now to the third and last objection raised by the Board, I have the honor to state that my Circular, of which they complain, was also issued under

Receipts and Charges on account of the assigned districts Berars. Tour Charges of the Governor General. Payments made in the Straits Settlements on account of convicts of this Government.

instructions received from Calcutta, directing, with a view to the simplification of the accounts, that all adjustments, with the exception of the transaction noted in the margin, should entirely cease.

5. I am quite aware that the effect of this Circular will be to destroy the agreement which has hitherto existed between the collections shewn in the Treasury Accounts, and the Demand, Collection and Balance Statements rendered to the Board; but, with the special view of enabling the Board to check the returns received by them from the Collectors, I have directed Treasury Officers, that, whenever any portion of the revenues of one District A. are realized in another

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B., the collections so made should be shewn by deduction in the Demand, Collection and Balance Statement of District A., as collections made in other districts and not included in the actual cash collections of the district to which the said revenue specially appertains. A copy of these instructions, I beg to observe, was sent for the information and guidance of the Board.

Referred to the Board of Revenue for any further observations they may wish to make.

(Signed) J. D. SIM,
Secretary to Government.

27th February 1866.

No. 350. Proceedings of the Board of Revenue, dated 11th December 1866,
No. 8,787.

1. In the foregoing Order the Government refer to the Board, for any further observations they may wish to make, the letter of the Accountant General to Government, dated 23rd February 1866, No. 283, commenting upon the Proceedings of the Board, dated 19th January 1866, which raised objections to certain instructions issued by that Officer to Collectors, regarding the exhibition of Revenue collections in their accounts.

2. The Board have already brought to the notice of Government, in the Proceedings above referred to, the disagreement between their accounts and those of the Accountant General for 1864-65. In respect to the differences pointed out by the Board in the collections of land revenue, the Accountant General states that the accounts prepared in his Office are required to shew, under certain heads, the entire receipts and disbursements of this Presidency, and that so long, therefore, as the Board exclude from their statements the revenues derived from Mysore and Travancore, there will always be a difference between the two returns to that extent; but that as this difference will be constant, it will in no wise vitiate a comparison between the two accounts. He offers, however, no explanation regarding the differences pointed out in the collections of the districts of this Presidency, as exhibited in the two sets of accounts, the net difference, as shewn in the abstract appended to paragraph 2 of the Board's Proceedings above referred to, amounting to no less than Rupees 5,659.

3. The Board are of opinion that the books of the Accountant General, which must often be referred to for information, should contain a clear and faithful account of the transactions of this Presidency under proper heads. One of the items noted in the margin of paragraph 2 of the Accountant General's letter appears to be a payment made by the Mysore Government under some special engagements, and the Board doubt the propriety of including this amount with the land revenue of this Presidency. In the classified list of heads of receipt, recently made by the Comptroller General of Accounts, the Board find a head immediately after Land Revenue, "Tributes and Contributions from Native States," and it appears to them, though they would not assume it with certainty, that this is the more appropriate head to which to credit the revenue derived from Mysore in the Accountant General's books. The Travancore payment appears to be on account of the lease of a portion of the Malabar District, and might perhaps more properly

be credited in the books of the Collector of Malabar, than in those of the Resident. This is, however, not a point with which the Board have much concern; but they have thought it proper to bring it under the notice of Government, to shew that, by adopting some such plan as above referred to, the books of the Accountant General can be made to represent fairly the revenues of this Presidency under proper heads of account.

4. As respects the item of Earth-salt revenue in Bellary and Kurnool, which the Accountant General instructed the Collector to credit to the head of "Salt," the Board, in paragraph 3 of their Proceedings, dated 19th January 1866, No. 461, expressed their opinion that it would be more properly credited to "Land Revenue Miscellaneous," but they now observe that in Government Order, dated 1st April 1863, the Government directed that it should be credited to Salt Revenue, and the majority of the Board are of opinion that this is the proper head of account for it.

5. The Accountant General remarks, in connection with this point, that the accounts of this Presidency are now prepared with a view to their consolidation with the Returns from the other Presidencies in one general account for the whole Empire, and that one of the main objects in the creation of the Central Office of Accounts was to bring the several accounts into unison with each other, which can be done only by the adoption of the common heads determined by the Comptroller General of Accounts as applicable to all; but the Board, while fully recognising with the Accountant General the importance of exhibiting the receipts and disbursements of the whole Indian Empire under common heads of accounts, infer from the abridged details which the new forms of the Budget and other Returns provide, that the Government of India contemplate allowing considerable latitude to the local authorities in the arrangement and classification of the minor details. There are hundreds of items which are arranged by the Board, and exhibited under Land Revenue Miscellaneous; and it is impossible that the Comptroller General of Accounts can, with any degree of success, deal with these details, nor can anything be gained by his attempting to do so. The Board venture to say that the Accountant General's Office itself in Madras can hardly make itself acquainted with the precise nature of many of the items now included under "Land Revenue Miscellaneous;" and they submit that the Accountant General ought not to issue instructions to the Collectors on points affecting the Revenue heads of Account, without first consulting the Board.

6. The third and most important point raised by the Board relates to the exhibition of the collections of revenue of one district in the accounts of another district. The Accountant General merely states in regard to this point, that his Circular was issued under instructions received from Calcutta, regarding the discontinuance of adjustments. The Board have already mentioned, in paragraph 4 of their former Proceedings, that the practice of granting transfer receipts if continued in such cases would obviate the evil, without in the least degree infringing the rules of the Supreme Government. The Accountant General does not, however, touch on this point, but merely reiterates the general instructions of the Supreme Government regarding the discontinuance of adjustments, which were already noticed by the Board.

7. The Accountant General again admits fully that the effect of his Circular will be to destroy the agreement which has hitherto existed between the collections shewn in the Treasury Accounts and the Demand Collection and Balance Statements rendered to the Board. Making this admission he proceeds to say, that, with the special view of enabling the Board to check the returns received by them from the Collectors, he has issued instructions to the Treasury Officers to the effect that the collections made in one district on account of another should be shewn by deduction in the Demand Collection and Balance Statement, and not included in the actual cash collections of the district to which the revenue specially appertains.

8. The Board cannot too strongly deprecate the introduction of a system, which, on the plausible ground of simplifying the accounts, tends, in their opinion, only to loosen the check which they at present have the means of exercising over the Collectors' Returns. The agreement between the Board's and the Accountant General's Returns, upon which much stress has often been laid by Government, and which the Board consider highly desirable, will be destroyed, and the remedy which the Accountant General proposes will prove to be but a poor substitute.

9. Several instances of differences between the Accountant General's Monthly Statements of Collections and the Demand Collection and Balance Statements received from Collectors, have come under the notice of the Board since their last communication to the Government on this subject, and have served to confirm the opinion above expressed. Had the Government of India ever contemplated that such differences must as a rule occur between the two sets of accounts, they assuredly would not have directed the Accountant General, under the new system of accounts, to furnish to the Board Monthly Statements of collections of the several branches of revenue for comparison with the accounts received by the Board from Collectors.

10. From the present indiscriminate exhibition of collections of one district in the accounts of another, the Board can only anticipate endless confusion; and

From the Collector of South Arcot, dated 28th February 1866, reviewed in the Board's Proceedings, dated 15th October 1866, No. 7,417.

From the Collector of Malabar, dated 16th May 1866, recorded in the Board's Proceedings, dated 16th October 1866, No. 7,452.

they cannot illustrate this better than by forwarding copies of the letters noted in the margin. The Collector of South Arcot states that if the collections of the land revenue made in other

districts on account of his district are not included in the body of the Demand Collection and Balance Statement, the demand and balance will not be reduced, while if they are included, the amount will not correspond with the entry in the Treasury Account. The letter from the Collector of Malabar is a reply to a call for explanation regarding certain differences between his Demand Collection and Balance Statement and the Accountant General's Statement of Collections. The difference in land revenue is thus explained. A sum of Rupees 362 was paid in September 1865 into the Bank of Madras, on account of assessment due on certain Coffee lands in Malabar. The Bank Secretary was directed by the Accountant General to credit it in his accounts to Miscellaneous under 1, Land Revenue. After receiving intimation of this payment, the Collector of Malabar included the sum under Ryotwar, to which it properly belonged, in his Demand Collection and Balance Statement for October 1865.

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The differences thus became inevitable. The Accountant General had in fact no means of knowing the nature of the item, and the consequence was that the money received was erroneously credited in his accounts to a wrong item under Land Revenue.

11. Very often the accounts of the Accountant General undergo numerous alterations after his Administration Report for the year is submitted to Government, and it will be evident from this that the figures given in his report on account of land revenue, &c., cannot be relied on as correct. When the Board of Revenue requested of the Accountant General an explanation regarding certain differences in the Land Revenue collections, as entered in his Administration Report for 1864-65, he forwarded with his letter, dated 13th October 1865, a revised statement of collections, admitting at the same time that the figures would differ from those given in his Administration Report, consequent on certain alterations which were found to be necessary *subsequent to the despatch* of that report. Even this revised return did not correspond with the collections shewn in the Collector's statements, and for a large difference the Accountant General offered no explanation, as already stated in the end of paragraph 2.

12. If the books of the Accountant General's Office cannot be readily closed after the close of each official year without subsequent alterations, and if they cannot shew the correct amounts of collections under different heads, the Board venture to say that they cannot be regarded as a faithful account whence to derive accurate information. In the case of payment into the Bank on account of assessment on Coffee lands in Malabar above referred to, had the Bank Secretary been allowed to follow the former, and, as the Board think, most suitable course of granting a transfer receipt to the party, and crediting it to bills payable or remittance, instead of granting an ordinary receipt, and crediting it at once to some item under Land Revenue without any knowledge of its nature, all the confusion above spoken of, and the consequent correspondence between the Board and the Collector would have been avoided. After all, by the course adopted by the Accountant General, there is no saving of labor, neither is there any simplification. Under this plan an erroneous entry has been made in the Accountant General's books, the Treasury Account of the Collector, which is the basis of all other accounts, is rendered incomplete and imperfect, and consequently unfit for purposes of reference, the Demand Collection and Balance Statement is made to include a sum which is not exhibited in the Treasury Account, and explanation becomes necessary. It can hardly be argued that this is any simplification of accounts.

13. The Collector of Malabar rightly urges, that the question of the proper mode of dealing with payments made into the treasuries of one district on account of revenue due to another is important, and requires re-consideration. He goes on to remark that the remedy proposed by the Accountant General can be adopted with the necessary explanation at the foot of the Demand Collection and Balance Statement, but that if the payments are numerous, the explanations will become tedious; and that it is very inconvenient to carry forward these differences from month to month and year to year.

14. The Board further observe that certain principles are involved in the present objectionable course which cannot be overlooked. Supposing a payment of Rupees 500 made into the treasury of South Arcot on account of land

revenue due on an estate in Madura, the Collector of the former district has no means of knowing whether the payer is the actual Government debtor, and it is well known that payments on account of land revenue are not unfrequently made merely with a view to support some adverse claim to property in the possession of others. The granting of a receipt for the money paid under such circumstances might seriously prejudice rights. Again, the party paying the money may state that the payment is on account of the land revenue of Madura, and the Collector of South Arcot may accordingly credit it in his accounts to some item under Land Revenue, and grant a corresponding receipt; but the Collector of Madura, on receiving the receipt from the party, may find that the amount is due to Local Funds, and will accordingly so credit it in his accounts, and pass his receipt to the party. Or again, in the same instance the Collector of South Arcot, through some not improbable oversight, might include the amount in the body of his Demand Collection and Balance Statement in common with the other collections of his district, overlooking the fact of its appertaining to Madura, and thus reduce the balance of his district by 500 Rupees. Where is the chance of detection of this blunder either in the Collector's, Board's, or Accountant General's Office? The amount may be due by parties in South Arcot; but as it will not appear outstanding in the accounts of the district, no demand will be made on them: or if the error be eventually discovered, the parties may have died or disappeared, and the loss is the same.

15. The Board are decidedly of opinion that the Collectors of districts should have their Treasury Accounts complete, so that they may be used with confidence and advantage for every purpose for which reference is made to them. This account, comprising as it ought, the whole financial transactions of the district, is the basis upon which all other Returns and Statements to be furnished to the different authorities are prepared. The Collectors are required to submit their Budgets and various other statements of collections and charges with full details, and the Government often call for information on particular points. If the Treasury Accounts are not complete, and are required to shew the collections of other districts as their own, it will hardly be possible for the Collectors to render any correct returns, and when mistakes are discovered, and the Treasury Officers are called upon to explain them, they will be only too ready to plead that it is the fault of the system, or of the instructions issued for their guidance. As a recent instance of the working of this objectionable system, the Board may state that, in the Budget submitted by the Collector of Vizagapatam for 1867-68, he reduced the Land Revenue Estimates of this district by nearly two lakhs of rupees, on the ground that the amount paid into the Madras Bank by Messrs. Arbuthnot & Co. on account of the rent of Palcondah talook, does not appear in the accounts of his district.

16. The Board do not wish to trouble the Government with any further instances of the anomalies arising out of the present system, though many more might be quoted. What has been stated appears sufficient for the purpose. The general principle laid down by the Government of India, for the discontinuance of adjustments between Districts and Provinces, is no doubt a good one. The Board fully concur with the Accountant General that in many cases, such as Settlement,

Survey, Educational, Police, Pensions, and other like charges, no adjustments are necessary; but the same principle cannot, with any advantage, be applied to every item of receipt and charge without exception. To meet such cases, there is a special provision in the Amended Bill Rules for granting service transfer receipts, and the Board would, therefore, strongly urge the adoption of this course, at least so far as the revenues under their control are concerned.

17. The Board avail themselves of this opportunity to request that Government will be pleased to instruct the Accountant General to allow the Collectors to exhibit in their Treasury Accounts only the actual expenditure incurred monthly by the Executive Engineers out of the different heads of Local Funds, and to deduct this amount from the *Plus* and *Minus* Memorandum with reference to the debit in the Treasury Account, so as to enable the Board to exercise an efficient check over the Local Funds under their administration. Under the present system of accounts, as adopted by the Accountant General, the Board are unable to ascertain the correct amount of available balance under each Fund, and the Local Fund accounts for 1865-66 are in extreme confusion. The matter will be noticed in more detail in the Local Fund Report for that year.

18. There is one more point on which the Board desire to submit their remarks to Government, viz., the system of making payments from the several Revenue Treasuries to the Public Works Department on "Letters of Credit." The system is in itself a good one, but the mode in which effect is given to it appears objectionable, and is likely to revive the evils of the old "Gybut Funds" in the Talook Treasuries. The rule, as it stands at present, requires that the entire amount of the Letter of Credit shall be at once debited as a charge, and kept in a separate chest in the Talook Treasury with a separate cash account, the amount being disbursed in small sums from time to time on cheques issued by the Officers of the Public Works Department.

Board's Proceedings, dated 3rd February 1851, No. 52.

Extract from Minutes of Consultation, dated 22nd May 1851, No. 478.

Board's letter to Government, dated 18th March 1852.

Extract from Minutes of Consultation, dated 25th September 1852, No. 949, circulated to Collectors with the Board's Circular, dated 4th November 1852.—*Vide* page 163 of the 2nd Volume of the Board's Circular Orders.

plurality of Chittahs renders the examination of the cash in the treasury very tedious, and the Examiners are very likely to lose sight of the separate funds and accounts, if the talook servants desire to conceal them. Under the present system, large sums remain in separate cash chests, and the talook servants are exposed to the temptation of using portions of the money for a time without much risk of discovery. It is unfair to any servants to place such temptations in their way.

20. While the Board advocate the retention of the "Letters of Credit," they would strongly urge the propriety of dispensing with the separate Cash Chest and Chittah. This can be done without any difficulty, by crediting the amount of the Letter of Credit after it is charged off in the General Cash Account to Deposits, and

19. A reference to the correspondence noted in the margin will satisfy Government, that the plurality of cash chests and cash accounts was the cause of extensive defalcations of public money which remained undiscovered for a series of years, and the correction of the evil required no small effort on the part both of Government and of the Board. The

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debiting to the same head the payments which may be made to the Public Works Department from time to time. This plan will necessarily entail the incorporation of the undrawn portion of the Letter of Credit with the general cash balance, and their defalcation, if it exists, must be easily and speedily detected.

No. 351. ORDER THEREON, 17th October 1867, No. 2,416.

Miscellaneous.

1. These papers relate to certain differences of opinion between the Board of Revenue and the Accountant General regarding the exhibition of collections of Revenue in, and other matters connected with, the accounts.

2. The first point on which they differ is the inclusion in the Land Revenue of this Presidency of certain payments made by the Mysore and Travancore Governments.

This system, the Board observe, is one of the causes for the discrepancies between the Revenue accounts prepared in their Office and those furnished by the Accountant General, on which the Government have so frequently remarked. Mr. Lushington explains, that the accounts of his Office are required to shew, under certain heads, the entire receipts and disbursements of this Presidency, and so long, therefore, as the Board exclude from their statements the payments alluded to, there will always be a difference between the two sets of accounts, but that as this difference will be constant, it will in no wise vitiate a comparison between them. The Government, however, consider that if possible the difference should be avoided, as otherwise the accounts are likely to mislead. The sum shown in the financial accounts as the amount collected under each of those heads of revenue, of which the administration is vested in the Board of Revenue, should be the same as that entered in the returns of the Board, and steps should be taken to maintain this uniformity. The Board suggest that the payment made by the Mysore Government in commutation for the collections of the island of Seringapatam, which belongs to the British Government, might be shewn under "Tributes and Contributions from Native States," and that the sums received from the Travancore Government, as rent of the Cottadilly Farm at Anjengo and sale proceeds of tobacco at that place, might be credited in the books of the Collector of Malabar, rather than in those of the Resident. The Accountant General will be requested to report on these suggestions, and to make any proposals that may seem to him better calculated to secure the desired uniformity. The Seringapatam payment might perhaps more properly be credited in the same manner as are the Coorg revenues.

3. The next point raised is as to the proper head to which to credit the revenue derived from earth salt in Bellary and Kurnool. This amount is now included in Salt revenue under instructions issued by the Accountant General, and the arrangement, which is in conformity with the instructions conveyed in paragraph 3 of the Order of Government, dated 1st April 1863, No. 603, is, in the opinion of Government, the correct one. They, however, desire that both the Board of Revenue and the Accountant General will arrange for separate totals being given for

"Marine Salt" and "Earth Salt," with a grand total of both for purposes of reference.

4. The Board remark that "the Accountant General ought not to issue instructions to the Collectors on points affecting Revenue heads of account, without first consulting the Board." The Government are not disposed to question the authority of the Accountant General to issue instructions such as those alluded to by the Board, but much correspondence and confusion would be avoided if these authorities mutually consulted one another before sending out orders relating to the exhibition of Receipts and Charges in the accounts, and they will be requested to follow this course in future.

5. The third, and, as the Board remark, the most important point relates to the exhibition of collections of revenue belonging to one district in the accounts of another district, as appertaining to the latter. This is certainly an anomaly, and is calculated to mislead and cause much confusion, for the revenue of a district will not be correctly represented by its accounts, and may appear more or less according to the extent of payments that may chance to be made in or for other districts. The Board adduce two instances in which this practice has practically created much confusion. A payment was made into the Chingleput Talook Treasury (Madras District) on account of land tax due by a ryot of South Arcot, but as under the Accountant General's instructions this sum cannot be entered in the Treasury Account of South Arcot, it must necessarily be omitted from the "Collection" column of the Demand, Collection and Balance Statement, and as a consequence the Demand and Balance columns must either shew fictitious sums, or the Demand minus the Collection will not tally with the balance. So again a payment was made into the Madras Bank on account of land tax due on a Coffee estate in the district of Malabar. The Accountant General instructed the Secretary to the

Letter dated 8th September 1865, No. 1,974. Bank to credit the amount to "Miscellaneous" under I Land Revenue, and directed the Deputy Collector in charge of the Malabar Treasury not to include this sum with the actual collections, as it would in fact never appear as a receipt in his Treasury account. A still more marked example of the working of the system is furnished by the fact that the Collector of Vizagapatam, on the strength of this rule, excluded nearly two lacs of Rupees from his Budget Estimate, because the rent of Palcondah talook was paid into the Madras Bank. Thus the *bona fide* revenue of a district, which for individual convenience may be paid into another District treasury, is shown as appertaining to the latter district, which is decidedly erroneous. The Accountant General states that his Circular on the subject was

"Receipts and charges on account of the assigned districts, Berar.
"Four charges of the Governor General.
"Payments made in the Straits Settlements on account of convicts of this Government."

issued under instructions received from Calcutta, directing that "all adjustments, with the exception of the transactions noted in the margin, should entirely cease." The Calcutta authorities have

in effect admitted that the rule must have exceptions, and they may not have been aware, at the time they laid down the rule, of the circumstances which render such exceptions necessary in this Presidency. Moreover, in the classification of Revenues

and Receipts, it is explained that "items of Demand and Land Revenue, which are not included in the Annual Revenue Settlement, and which are of a fluctuating character, are shewn as Miscellaneous receipts,"

Vide page 75 of the Accountant's Manual.

but the Accountant General's order to credit to Miscellaneous Revenue payments made in one district on account of items of demand included in the Annual Settlement of another district, is opposed to this ruling.

6. Mr. Lushington adds, that he issued instructions that "whenever any portion of the revenues of one District A. are realized in another B., the collections so made should be shewn by deduction in the Demand, Collection and Balance Statement of District A., as collections made in other districts, and not included in the actual cash collections of the district to which the said revenue specially appertains," but this plan will not obviate the objection pointed out above, and, as observed by the Collector of Malabar, "if the payments are numerous, the explanations will become tedious, and it is very inconvenient to carry these differences from month to month and year to year." The system may also produce the difficulties and inconveniences suggested by the Board in paragraphs 14 and 15 of their Proceedings, dated 11th December last, No. 8,787.

7. Under these circumstances, the Accountant General will doubtless admit the necessity for making an exception to the rule in question, to the extent proposed by the Board in paragraph 16 of their Proceedings, viz., to introduce the system of granting service transfer receipts so far as the revenues under their control are concerned, and he is requested to arrange accordingly.

8. He is also requested to submit his remarks on the suggestions made in paragraphs 17 to 20 of the Board's Proceedings, dated 11th December 1866, No. 8,787.

(True Extract.)

(Signed) W. HUDLESTON,
Secretary to Government.

To the Board of Revenue.
,, the Accountant General.

Exd. S. T. Augustin.

No. 8,787.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 11th December 1866

Read the following letter from F. LUSHINGTON, Esq., Accountant General, to the Secretary to Government, Revenue Department, Fort Saint George, dated 23rd February 1866, No. 283:—

1. I have the honor to acknowledge the receipt of the orders of Government, under date the 5th instant, referring for my remarks, the Proceedings of the Board of Revenue, dated the 19th ultimo, No. 461, commenting on certain differences which appear between the Statements of this office and that of the Board of Revenue, in respect to the Revenue Collections of 1864-65, and objecting to the issue by me of Circular, No. 10, dated 14th September last, prohibiting all adjustments between Districts.

2. In regard to the 2nd paragraph of the Board's Proceedings, I beg to observe, that the Accounts prepared in this office are required to show, under certain heads, the entire Receipts and Disbursements of this Presidency, and so long, therefore, as the Board exclude from their

Credited in the Accounts of the Officer in charge of H. M.'s Treasury, Bangalore.

	RS.	A.	P.
Recovery from the Mysore State on account of commutation for the collections of the Island of Seringapatam	50,000	0	0
Credited in the Accounts of the Resident at Travancore, rent of the Cattadilly Farm at Anjengo	1,450	0	0
Collections at Anjengo, being sale proceeds of Tobacco	3,856	0	0
Total	55,306	0	0

Statements, the Revenues derived from the sources noted in the margin, there will always be a difference between the two Returns to that extent; but as this difference will be always the same, recurring year after year, it will in no wise vitiate a comparison between the two Accounts.

3. With regard to the second objection raised by the Board, to the credit of the Revenue from Earth Salt in Bellary and Kurnool to the head of "Salt," instead of to "Land Revenue Miscellaneous," as heretofore, I beg to observe, that, in selecting the former credit head, I acted under instructions directly received from the Comptroller General of Accounts, whose directions on these subjects, I am bound implicitly to carry out. The Accounts of this Presidency, as the Government are aware, are now prepared with a view to their consolidation with the Returns from the other Presidencies in one General Account for the whole Empire, and one of the main objects in the creation of the Central Office of Accounts, was to bring the several Accounts into unison with each other, which can be done only by the adoption of common heads, and which heads are determined by the Comptroller General of Accounts applicable to all.

4. Adverting now to the third and last objection raised by the Board, I have the honor to state, that my Circular, of which they complain, was also issued under instructions received from Calcutta, directing, with a view to the simplification of the Accounts, that all adjustments, with the exception of the transaction noted in the margin, should entirely cease.

Receipts and Charges on account of the Assigned Districts Berar. Four Charges of the Governor General. Payments made in the Strait Settlements on account of convicts of this Government.

5. I am quite aware that the effect of this Circular will be to destroy the agreement which has hitherto existed between the collections shown in the Treasury Accounts, and the Demand Collection and Balance Statements rendered to the Board; but, with the special view of enabling

the Board, to check the returns received by them from the Collectors, I have directed Treasury Officers, that, whenever any portion of the Revenues of one District A. are realized in another B., the collections so made should be shown by deduction in the Demand Collection and Balance Statement of District A., as collections made in other Districts, and not included in the actual Cash Collections of the District to which the said Revenue specially appertains. A copy of these instructions, I beg to observe, was sent for the information and guidance of the Board.

Referred to the Board of Revenue, for any further observations they may wish to make.

27th February 1866.

To the Board of Revenue.

(Signed) J. D. SIM,
Secretary to Government.

1. In the foregoing Order the Government refer to the Board, for any further observations they may wish to make, the letter of the Accountant General to Government, dated 23rd February 1866, No. 283, commenting upon the Proceedings of the Board, dated 19th January 1866, which raised objections to certain instructions issued by that Officer to Collectors, regarding the exhibition of Revenue Collections in their Accounts.

2. The Board have already brought to the notice of Government, in the Proceedings above referred to, the disagreement between their Accounts and those of the Accountant General for 1864-65. In respect to the differences pointed out by the Board in the collections of Land Revenue, the Accountant General states that the Accounts prepared in his office are required to show, under certain heads, the entire Receipts and Disbursements of this Presidency, and that so long, therefore, as the Board exclude from their Statements the Revenues derived from Mysore and Travancore, there will always be a difference between the two Returns to that extent; but that as this difference will be constant, it will in no wise vitiate a comparison between the two Accounts. He offers, however, no explanation regarding the differences pointed out in the Collections of the Districts of this Presidency, as exhibited in the two sets of Accounts, the net difference, as shown in the abstract appended to paragraph 2 of the Board's Proceedings above referred to, amounting to no less than Rupees 5,659-0-0.

3. The Board are of opinion that the books of the Accountant General, which must often be referred to for information, should contain a clear and faithful account of the transactions of this Presidency under proper heads. One of the items noted in the margin of paragraph 2 of the Accountant General's letter appears to be a payment made by the Mysore Government under some special engagements, and the Board doubt the propriety of including this amount with the Land Revenue of this Presidency. In the classified list of heads of receipt, recently made by the Comptroller General of Accounts, the Board find a head immediately after Land Revenue, "Tributes and Contributions from Native States," and it appears to them, though they would not assume it with certainty, that this is the more appropriate head to which to credit the Revenue derived from Mysore in the Accountant General's Books. The Travancore payment appears to be on account of the lease of a portion of the Malabar District, and might perhaps more properly be credited in the books of the Collector of Malabar, than in those of the Resident. This is, however, not a point with which the Board have much concern; but they have thought it proper to bring it under the notice of Government, to show that, by adopting some such plan as above referred to, the books of the Accountant General can be made to represent fairly the Revenues of this Presidency under proper heads of account.

4. As respects the item of Earth Salt Revenue in Bellary and Kurnool, which the Accountant General instructed the Collectors to credit to the head of "Salt," the Board, in paragraph 3 of their Proceedings dated 19th January 1866, No. 461, expressed their opinion that it would be more properly credited to "Land Revenue Miscellaneous," but they now observe that in Government Order dated 1st April 1863, the Government directed that it should be credited to Salt Revenue, and the majority of the Board are of opinion that this is the proper head of account for it.

Book and adjust. Depart.

N^o 283

Fort Saint George,
Accountants Office,
23 February 1866.

From
J. Lushington Esquire
Accountant General
To The Secretary to Government
Revenue Department,
Fort Saint George.

Sir,

I have the honor to acknowledge the receipt of the Orders of Government, under date the 5th Instant, referring, for my remarks, the Proceedings of the Board of Revenue, dated 19th ultimo, N^o 461, commenting on certain differences which appear between the statements of this Office and that of the Board of Revenue, in respect to the Revenue Collections of 1864/65, and objecting to the issue by me of Circular N^o 10, dated 11th September last, prohibiting all adjustments between districts.

2 In regard to the 3rd para of the Board's Proceedings, I beg to observe, that the accounts prepared in this Office are required to shew, under certain heads, the entire Receipts and Disbursements of this Presidency, and so long, therefore, as the Board exclude from their Statements

Statements, the revenues derived from the sources noted in the margin, there will always be a difference between the two Returns to that extent, but as this difference will be always the same, recurring year after year, it will in no wise vitiate a comparison between the two Accounts.

Credited in the Accounts of the Officer incharge of H. H. Bangalore.	
Recovery from the Mysore State on account of Com. mutation for the Collections of the Island of Seringa-patana, Ropes	50,000—
Credited in the Accounts of the Resident at Tanjore.	
Rent of the Colladilly Farm at Arjengo	11,500—
Collections at Arjengo, being sales proceeds of Tobacco	3,836—
<u>Total Ropes</u>	<u>55,336—</u>

3 With regard to the second objection raised by the Board to the credit of the Revenue from earth salt in Bellary and Kurnool, to the head of "Salt," instead of to "Land Revenue Miscellaneous," as heretofore, I beg to observe, that in selecting the former credit head, I acted under instructions directly received from the Comptroller General of Accounts, whose directions on these subjects, I am bound implicitly to carry out. The accounts of this Presidency, as the Government are aware, are now prepared with a view to their consolidation with the Returns from the other Presidencies in one general account for the whole Empire, and one of the main objects in the creation of the Central Office of Accounts, was to bring the several accounts into unison with each other, which can be done only by the adoption of common

heads, and which heads are determined by the Comptroller General of Accounts applicable to all.

Receipts and charges
and account of the as-
signed Districts. Where-
fore charges of the
Governor General's
made in the straits set-
tlements and account
of convicts of this
Government.

Adverting now to the 3^d and last
to objection raised by the Board, I have the honor
to state, that my Circular of which they complain,
was also issued under instructions received from
Calcutta, directing, with a view to the simplification
of the accounts, that all adjustments with the ex-
ception of the transaction noted in the margin, -
should entirely cease.

5. I am quite aware that the effect
of this Circular will be to destroy the agreement
which has hitherto existed between the collections
shown in the Treasury accounts, and the Demand
Collection, and Balance Statements rendered
to the Board, but with the special view of enabling
the Board to check the returns received by them
from the Collectors, I have directed Treasury Office,
that, whenever any portion of the revenues of one
District A are realized in another B, the Collections
so made, should be shown by deduction in the D.C.
and B Statement of District A, as collections made
in other Districts, and not included in the actual
cash collections of the District to which the said
Revenue specially appertains. A copy of these
instructions, they to observe, was sent for the infor-
mation and guidance of the Board.

I have the honor to be,
Sir,
Your most obedient Servant,
F. Cunningham
Accountant General

Comp^d J. P.
Ch. L. Cunningham

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Submitting Remarks on
the proceedings of the Board of
Revenue dated 19th ultimo and
inserting on each of the
inserted copies of the
insert of the Office and that
of the Board of Revenue in
respect to the Revenue Collection
of 1864-65.

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Referred to the 1864 of Revenue
for any further observations
they may wish to make.

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PROCEEDINGS OF THE BOARD OF REVENUE, dated 15th October 1866.

Read the following letter from C. W. READE, Esq., Collector of South Arcot, to the Secretary to the Board of Revenue, dated Cuddalore, 28th February 1866, No. 43:—

1. With reference to the Accountant General's Circular, dated 25th October 1865, No. 2,693, observing that no adjustment is necessary in the Treasury Account, in regard to the Land tax paid in one district on account of another, the Deputy Collector in charge of the Treasury, Madras district, has given intimation, to the Treasury officer of this district, that a sum of Rupees 20-5 0 has been paid into the Chingleput Taluk Treasury, on account of the land assessment due by a puttah holder of this district.

2. The course prescribed, by the Accountant General, in his Circular above quoted, in regard to the mode of exhibiting such collections in the accounts, is not attended with any difficulty as far as the Treasury Accounts are concerned; but I do not understand how they are to be exhibited in the Demand Collection and Balance Statement submitted to the Board of Revenue. They are not to be included with the collections in the body of the Statement; for, then, the receipts as entered in this Statement will be found to differ from those in the Treasury Account. They may, as desired by the Accountant General, be shown separately, either at the foot of the Statement, or in the Remark column, as "Collections in Madras on account of this District;" but, unless the amount is included with the collections in the body of the Statement, the demand and balance will never be reduced, and the return will, in fact, show a fictitious balance; I have the honor, therefore, to request you will be good enough to inform me, how the Board would wish such collections to be shown in the Demand Collection and Balance Statement submitted to them monthly.

3. I would suggest, however, that the amount be included with the collections in the body of the Statement, distinguishing in a foot-note, or in the Remark column, how much of the aggregate collections constitutes the actual receipts of this district, and how much was received in other districts on account of this. This course, while it has the advantage of showing the balance correctly, will also facilitate comparison of the collections in this Statement with those in the Treasury Account.

4. It is scarcely necessary for me to add, as the Board must be well aware, that such transactions were hitherto adjusted by transfer, and special provision has also been made, in the amended Bill Rules, for granting Land Revenue transfer receipts in all such cases, charging a fee of one rupee for every such receipt. I presume this provision has been virtually cancelled, though it has not been so stated in the Circular under reference.

The Collector must continue to follow the course prescribed by the Accountant General, until the question, which is before Government is finally settled.

(A true Copy and Extract.)

(Signed) W. HUDLESTON,
Secretary.

To the Collector of South Arcot.

Copy to the Accountant General.

Exd. J. Wright.

*Enquire the Gov of the 1866
Rate to the 1866 of Jan 1866
and 1866 of 1866 -*

1866. Department.

Nov. 1. 1866

No.

PROCEEDINGS OF THE BOARD OF REVENUE,

Dated 15th October 1866.

No. 7,417.

Directing Collector of South Arcot to follow
for the present, course prescribed by Accountant
General for adjustment of land tax paid in
one district on account of another.

Nov. 17. 1866. 1866

PROCEEDINGS OF THE BOARD OF REVENUE, dated 16th October 1866.

Read the following letter from G. A. BALLARD, Esq., Collector of Malabar, to the Secretary to the Board of Revenue, dated Calicut, 16th May 1866, No. 150:—

1. I have the honor to return, with the following explanation, the Memoranda of differences between the Accountant General's and Demand Collection and Balance Statements, from July to December 1865, received with your Circular Memorandum, dated 8th May 1866, No. 449.

2. The difference of Rupees 361, under Land Revenue, in the Accounts of September, and of 362 in October, is accounted for as follows:—

The above sum, being tax due on certain coffee lands in this district, was paid into the Bank of Madras, in September 1865, and, under instructions from the Accountant General to the Bank Secretary, dated 8th idem, was credited in the Bank Accounts to Miscellaneous, under I. Land Revenue. The Accountant General having been applied to on the subject, observed in his letter, dated 23th October 1865, that no adjustment was necessary in my Treasury Accounts, as there was no actual cash collection in the district, but that the amount must be shown in the Demand Collection and Balance Statement, which was accordingly done in the said account for October 1865, under the head of Ryotwary, to which the tax appertained. Hence, my Demand Collection and Balance for October is in excess of my Treasury Account for the same month, by the above sum of Rupees 362 (adding one for fractions) under the head of Ryotwar. There is no difference between my Treasury Account and Demand Collection and Balance Statement for September. The excess of Rupees 361, in the former account of the Accountant General, must arise from his having shown under this district the sum under notice, which was erroneously credited to Miscellaneous Land Revenue in the Bank Accounts under his instructions, but regarding which, there was no credit in my Treasury Accounts under his instructions adverted to.

3. This question of the proper mode of dealing with payments made into the treasuries of one district on account of revenue due to another is important, and requires re-consideration. The new system may not contemplate such mutual adjustment in the District Accounts, it dealing only with the aggregate collections and expenditure of the whole Presidency. But, without such adjustment, I apprehend confusion in accounts may become inevitable. It may be expected that the necessary explanations of such payments in other districts can be given at the foot of the Demand Collection and Balance Statement. But if the payments are numerous, the explanations will become tedious, and it is very inconvenient to carry these differences from month to month and year to year. I submit that the old system of crediting the payments to local remittances in the districts in which they are received, and debiting them to the same head, and crediting them to the proper head of revenue in the districts to which the revenue is due, can be advantageously reverted to as regards all the heads of revenue comprised in the Demand Collection and Balance Statement, the administration of which will be facilitated by such correspondence between the Treasury Account and the Demand Collection and Balance Statement.

4. The other item of difference, noticed in the stamp collections of all the six months, results from no discrepancy in the Accounts of this office. The Accountant General, in the Return furnished by him to the Board of Revenue, would appear to have shown, under Ain Stamp collections, the proceeds of the sale of Judicial and Adhesive stamps only, while the sale proceeds of Bills of Exchange and Lading, and duty for stamps impressed on private materials, or on documents already executed, as well as penalties levied on unstamped papers, would all appear to have been included by him under Miscellaneous, whereas, in my Demand Collection and Balance Statement, the last item alone appears under Miscellaneous, and all the rest under Ain. This is in accordance with my Treasury Account, which is prepared strictly in the forms furnished, and appears, in my humble opinion, to be a more correct classification than the one which would seem to have been adopted by the Accountant General in his Return to the Board.

ENCLOSURES Nos. 1 to 6.—Memoranda.

The question referred to by the Collector is under the consideration of Government, and the Collector must continue to follow the prescribed course until it is finally settled.

(A true Copy and Extract.)

(Signed) W. HUDLESTON,
Secretary.

To the Collector of Malabar.

Copy to the Accountant General.

Exd. J. Wright.

*Enquire in the No. 1 of the 1866
Revenue to the King of the 1866
Revenue 11 and 1866 in the 1866.*

1866. Department.

Rev. 1472/1866

No.

PROCEEDINGS OF THE BOARD OF REVENUE,

Dated 16th October 1866.

No. 7,452.

Informing Collector of Malabar that question
of dealing with payments made into Treasuries
of one district on account of revenue due to
another is under consideration of Government,
and that prescribed course must be followed un-
til it is finally settled.

*1866 1866
Rev. 1472/1866*

Revenue Department

W. 2446.

Proceedings of the Madras Government
October.

Under date the 17th ~~January~~ 1867.

Read the following papers

Proo: 12th of Revenue.

Submitting remarks on the dif-
ferences noticed in the statement
from the Accts. Genl. showing the
collections in each district during
1864/5, & requesting orders of Genl.
as to items to which rev. from salt
in Bellary & Kurnool should be credited,
& as to entry in account of receipts of
revenue of one dist. in another.

(Here enter 19th Jan'y/66
No 451.)

From the Accts. General.

Submitting remarks on the Proo of
the Bd of Revs of 19th ult. commenting
on certain differences which appear between
the statement of this Office & that of the Bd of
Revs in respect to the Rev. collection of 1864/5.

(Here enter 23rd Feb'y/66)

Proo: Board of Revenue.

Submitting observations on Accts
Genl. & letter, commenting on Bd of Revs, raising
objections to certain instructions issued by
that Office to Collectrs, regarding the exhibition
of Rev. Collections in their Accounts.

(Here enter 11th Dec'r/66. No.
8787)

These papers re-
late to ^{certain} differences of opinion
between the Board of Revenue
and the Accountant General
regarding the exhibition of
collections.

N. M.

Revenue Department

W. 2446.

Proceedings of the Madras Government

October.

Under date the 17th ~~January~~ 1867.

Read the following papers

Proo: 12th of Revenue.

Submitting remarks on the differences noticed in the statement from the Accts. Genl. showing the collections in each district during 1864/5, & requesting orders of Genl. as to items to which rev. from salt in Bellary & Kurnool should be credited, & as to entry in account of receipts of revenue of one dist. in another.

(Here enter 19th Jan'y/66)
N. 451.

From the Accts. General.

Submitting remarks on the Proo: of the Bd. of Rev. of 19th ult. commenting on certain differences which appear between the statement of this Office & that of the Bd. of Rev. in respect to the Rev. collection of 1864/5.

(Here enter 23rd Feb'y/66)

Proo: Board of Revenue.

Submitting observations on Accts. Genl. letter, commenting on Bd. of Rev. raising objections to certain instructions issued by that Office to Collectors, regarding the exhibition of Rev. Collections in their Accounts.

(Here enter 11th Dec'r/66. N. 8787)

These papers relate to ^{certain} differences of opinion between the Board of Revenue and the Accountant General regarding the exhibition of collections.

N. M.

collections of Revenue in,
and other matters connected
with the accounts.

2. The first point on
which they differ is the
inclusion in the Land Revenue
of this Presidency of certain
payments made by the Mysore
and Travancore Governments.

This system the Board
observes is one of the causes
~~which create the differences~~ ^{discrepancies}
between the Revenue accounts
prepared in their office and
those furnished by the
Accountant-General ⁱⁿ which the
Gov^t have so frequently
~~condemned~~ ^{condemned} Mr. Lushington
explains that the accounts
of his office are required

The Govt and the Public.

The sum shown in the ^{Financial} ~~Final~~ accounts as the amount col.

lected under each of those heads of Revenue, the administration ^{which} is vested in the Board of Revenue, should be the same as that entered in the returns of the Board, and also, should be taken to maintain

no uniformity. The Board suggest that ^{the} payment made by the Mysore Govt ⁱⁿ ~~in~~ account of the commutation for the collection of the Island of Seringapatam might be shown under "Tributes & Contributions from Native States" & that the sums received from the Travancore Govt as rent of the Calicut Farm at Angico, & sale proceeds of Tobacco at that place might be credited in the books of the Colls of Malabar rather than in those of the President. These two Govts will be requested to report ^{and sign} ~~and sign~~

payment might perhaps more properly be credited in the same manner as are the Coorg Revenues.

^{proposals} ~~any other proposals~~ ^{suggestions} that may seem better calculated ^{to him} to procure the desired uniformity. The ^{proposals} ~~proposals~~ ^{suggestions} The next point to be ^{arisen} ~~for consideration~~ is, the proper head to which ^{& credit} the Revenue derived from Earth Salt in Bellary and Kurnool should be credited. This amount is now included in Salt Revenue under instructions issued by the Accountant General and the practice which is in conformity ^{with} to the instructions conveyed in para 3 of the order of Govt dated 1st April 1863, No 603 is in the opinion of the Govt the correct one.

They

They however desire that both the Board of Revenue and the Accountant General will arrange for separate totals, being given for "Marine Salt" and "Earth Salt" with a grand total, for both for purposes of reference.

4- The Board remarks that the Accountant General ought not to issue instructions to the Collectors on points affecting Revenue heads of Account, without first consulting the Board. The Govt are not disposed to question the authority of the Accountant General to issue instructions such as those alluded to by the Board, but is much correspondence and confusion

confusion ^{could} ~~will~~ be ^{avoided} ~~saved~~ if these authorities - to mutually consulted one another before sending out orders relating to the exhibition of ~~Revenues~~ and Charges in the Accounts, and they will be requested to follow this course in the future.

5 The third and as the Board remarks the most important point relates to the exhibition of the collections of Revenue ~~of one District in the~~ ^{of one District in the} accounts of another District as appearing in the

This is certainly an anomaly and is calculated to ^{mislead} ~~falsify~~ and ~~cancel~~ ^{cancel} ~~since~~ ^{since} ~~in~~ ⁱⁿ ~~the~~ ^{the} ~~account~~ ^{the Revenue} of a District will not be correctly represented by its

accounts

accounts, ~~and~~ ^{and} ~~it may be~~ ^{appear} more
or less according to the
extent of payments ~~made~~ ^{but no chance of the first}
in ~~of~~ ^{for} other Districts, ~~as made~~
~~in other Districts~~
~~account of the particular~~
~~District~~ The Board
~~adversely~~ ^{adversely} ~~points~~ ^{points} two instances in
which this practice has
practically created
much confusion - ~~to~~
a payment was made
into the Chingleput
Talook Treasury
(Madras District)
on account of the
land tax ^{due} payable
by a ryot in South
Arcot

Arcot but as under
the circumstances
General's instruction
this sum cannot be
entered in the
Treasury account
of South Arcot, it
must necessarily
be omitted from
the "Collection"

column of the
Demand, Collection
and Balance state-
ment, and at

is decidedly erroneous.

The Accountant General ^{states} ~~explains simply~~

that his Circular on the subject, was issued

under instructions

received from Cal.

cutler directing that

"all adjustments

with the exception

of the transactions noted

in the margin, should

entirely

"Receipts & charges on account of the assigned Districts. Personal charges of the Governor General. Payments made in the Straits Settlements on account of Comptroller of this Government."

entirely cease". The Cal.

cutler authorities ^{have in} ~~are~~ ^{admitted} ~~admitted~~ that the rule

must have ~~restained~~

exceptions ~~in order to~~

~~show the Revenue and~~

~~charges on account of~~

~~particular items in the ac-~~

~~counts of a particular Dis-~~

~~trict, and they might by~~

~~accident~~ not have been

aware at the time they

laid down the rules

of the circumstances

~~and~~

Which under such
~~under which similar~~
exceptions
~~and adjustments~~ are neces-

sary in this Presidency.
~~however~~ In the classifica-

tion of Revenues and
Receipts it is ~~clearly~~ ex-

plained that "items of
demand and Land Revenue
which are not included -

in the annual Revenue Set-

tlement and which are of
a fluctuating character,
are shown as miscellaneous
receipts." The Accts. Genl^l order
to credit to miscellaneous
Revenue payments made

into one District on account
of items of demand included
in the Annual Settlement

of another District is ^{proved} ~~undoubtedly~~
by this ~~value~~ ^{value}. The object of throwing

into Miscellaneous Land
Revenues ^{collecting on account of} items ~~not~~ included

in the demand can be none
other than to arrive at the

correct balance, and this is
defeated by the instruction

issued by Mr. Lushington.

6. Mr. Lushington adds
that he issued instructions

that "whenever any portion of
the revenues of one Dist^l A.

are realized in another B, the
collections so made should be

shown by deduction in the

L. C. To statement of District
A, as collections made in other
Districts, and not included in the
actual cash collections of the
District to which the said Book
specially appertains. ^{but} This
plan ~~does not in any degree~~
^{with} obviate the objection
avoid ~~the frustration of~~
the ~~account~~ pointed out above
and as observed by the Collr of
Madabar, "if the payments
are numerous, the explanations
will become tedious, & it is
very inconvenient to carry
these differences from month
to month and year to year. If
the system ~~may also produce~~
~~will also create the diffi-~~
culties and inconveniences
^{suggested}
~~alluded to~~ by the Board in
paras 14 and 15 of their
Proceedings.

Proceedings dated 11th
December last No. 8787.

7. Under these circum-
stances the Accountant
^{like Dr. H. admits the merit}
General ~~can safely make~~
an exception to the rule ~~sub-~~
~~injunction~~ ^{proposed}
~~injunction~~ to the extent ~~pointed~~
out by the Board in para 16 of
their Proceedings, viz to introduce
the system of granting service
transfer receipts so far as the
Revenues under their control are
concerned, and he is requested
to ^{arrange} ~~issue orders~~ accordingly.

8. ~~The Secy to the Government~~
^{He is also}
~~will be~~ requested to submit
his remarks on the suggestions
made in paras 17 to 20 of the
Bd's Pro: dated 11th December

1866, No. 8787.

14 copies to the Secy to the Govt
6 copies to the Secy to the Board

Revenue 1867 to 1868
No of Govt for Ctn

N^o 2446.

Pro of the Madras Govt
D/17th October 1867.

From the Acting Accountant.
General & p. 3 December/67. N^o 291

N^o 317 @ 357.