

10-5-12
4-2-13

Revenue (1897) Department.

PRESS SERIES,

G.O., No. 307

Dated 24th September
1897.

[Despatch Abstract.]

Statements appended to the annual Administration Report
of the Government Cinchona Plantations.

Approving the Accountant-General's proposal
for the revision of some of the —, subject to
further amendments suggested by Mr. Stande.

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.
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FORWARDED PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.
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Revenue (1897) Department.

CURRENT No.



paid 24/7/97

Secy fr. v.

The Hon. Mr. Fr. v. v.

*Now again G.O. 3685 (A)
17. VII 97
also cur. 6555-897 (A)*

P.S.

1070

From

*W. M. Staudan Esq.
Director
Govt Cinchona Plantations
Nigeria*

No. 51

Order No. 8078/24th Sept 1897

*The Act General proposed
for the revision of the statements
appended to the annual
Administration Reports of the
Govt Cinchona Plantations
subject to the further
amendments suggested
by Mr Staudan in connection
are approved*

Dated 29th July 1897

Received

Registered

Enclosures 1-

Spare copies

SUBJECT.

*Statement appended to the
Annual Administration Reports
of the Govt Cinchona Department
Nigeria.
Reports on the—*

*To the Act Genl
To the S. G. P.*

24/7/97

6/12/97

2/11/97

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS

G.O.	No.	Department.	Date.

No. 51

DIRECTOR'S OFFICE,

OOTACAMUND, 29 July 1897.

From

W. M. STANDEN, Esq.,

DIRECTOR OF THE GOVERNMENT

CINCHONA PLANTATIONS,

To

Nilgiris.

The Secretary to Government
Revenue Department
Ootacamund.

SIR,

With reference to your Endorsement
No. 3685 of 17th July 1897, on the letter No. 2093
dated 10 July 1897 from the Accountant General,
reporting on the forms of accounts main-
tained by the Cinchona Department, I
have the honor to report as follows:-
The Accountant General throughout his
letter refers to the Statements appended
to the Annual Report of 1895/6 and it is
to these forms, therefore, that my remarks
will apply.

Statement 1. This deals with the rainfall
on the various Estates and
requires no alteration.

Statement 2. The Accountant General makes
no suggestion with reference to
this form but I am of opinion
that it should show the number
of

of pounds of Quinine and Febrifuge for which payment has been made and, as the post of Quinologist has been abolished, the head "Factory Charges" under expenditure should be substituted for "Quinologist".

Statement 3. I agree with the Accountant General that the head "Repairs" might be changed to "Buildings and Plant" and that it should embrace expenditure both in the Civil and Public Works Department. For reasons given above "Factory Charges" should be substituted for "Quinologist's Department".

Statement 4. This the Accountant General considers unnecessary as it is a résumé of 2 and 3. I concur, and it may be observed that this Statement was omitted in my Annual Report for 1896-7.

Statement 5. The Accountant General suggests that values should be filled in to compare with Statements 2 and 12 but I consider this (No 5) form quite unnecessary as the information is contained in 6 B. For this reason I omitted it in my Annual Report for 1896-7.

Statement 6. This is not referred to in the letter under Consideration. It has been somewhat abridged in my Annual Report, but does not, I think, require further alteration.

Statement 7. As this is intended to be a stock Statement of the number of trees on the Estates, it does not seem necessary as suggested by the Accountant General to give the number of trees barked under the various systems. This information is afforded in Statement 6. The object of Statement 7 is to show approximately, the number of trees existing at the Commencement of the year, the number cut down or uprooted, the number planted out, and the number remaining at the end of the year. In the Corresponding Statement appended to the Annual Report for 1896-7, fresh columns were opened under the orders of Government to show the vacancies by death and the plants put out to supply these losses. The addition of any further information especially such as to be found elsewhere, would only prove confusing.

Statement 8. This Statement to which ^{the} Accountant General makes no reference has been

abridged in the Annual Report for 1896-7 and in its present form I think it may stand.

Statement 9. I agree with the Accountant General that values should be filled in. This was done in my Report now with Government.

Statement 10. As this is a stock statement which necessitates the inclusion of all issues of Quinine and Febrifuge from the Head office, and as these issues consist not only of Quinine and Febrifuge sold but of advances in the shape of Quinine packets made to Collectors and Postmasters, I do not think that any useful purpose would be served, by filling in the values as suggested by the Accountant General. Such values would not correspond with the sums realized and shown in Statements 2 and 12.

Statement 11. I agree that this Statement is useless in its present form, and that it should be discontinued. I do not consider that it represents the true financial aspect of the undertaking whereas the Accountant General's Statement does, and this should therefore,

therefore, I think, be substituted for the present form.

Statement 12. The Accountant General's suggestions as to exhibiting the quantity of Quinine and Febrifuge in stock and the stock of Quinine packets with Collectors and Postmasters at the beginning and at the end of the year, were anticipated in my Report for 1896-7. I do not think that it is necessary to include the value of Buildings and Plant. The Accountant General suggests that the amount shown in the Report for 1895/6 as due from the Bombay Medical Stores should not have been included, as this sum would be shown among receipts in the following year, when the money was paid. It is true that for many years past the outstandings due at the end of the year were taken credit for in the balance sheet of that year, and, during the following year when the money was paid, were again credited in the Balance sheet for that year. Large sums were in this way credited twice over, first as outstandings, then as Receipts.

The

The proper course would have been to show the sums outstanding since they represent transactions of the year, but in the following year when these sums were realized, to show them on both sides of the Balance Sheet. By this procedure which was adopted in my Report for 1896/7, the year, to which the transaction belongs, gets credit for the sum due, while the Balance Sheet of the year following, shows the realization of the sum, but does not benefit thereby as the amount is also entered on the Debit side. It is necessary that the realization of a previous year's outstandings should be shown in Statement 12 in order that there may be correspondence between the total Receipts in this statement and those in the Accountant General's books.

It will be observed, on reference to my Annual Report now with Government, that the Balance Sheet is preceded by a stock account setting forth in detail the opening and closing stocks of the year. I think it is better to show the value of the stock in this way than to

to burden the Balance Sheet with the details. It has been the custom hitherto to value the bark at cost price and the Quinine and Febrifuge at the rates fixed for their sales during the year, but it would I think be preferable to have a more uniform system and to value the Quinine and Febrifuge at cost price as well as the bark. In para 7 of the Accountant General's letter it is stated that at the present time the plantation is being conducted at a loss. I hope I may be permitted to point out that this remark can hardly apply to the year 1896/7. The heavy losses shown in the Balance Sheets of previous years were partly due to the incomplete exhaustion of the bark treated in the factory, but were mainly owing to the fact that the stocks of bark were overvalued. In order to arrive at the cost price of the bark, the whole expenditure of the Department was divided by the number of pounds of bark harvested during the year. This system was clearly fallacious as the cost of chemicals etc could have nothing to

to do with the production of the bark.
The expenditure on Head office and
plantations alone is the cost of the
crop, while the disbursements on
Factory and Quinologist's Department
represent the cost of manufacture
and distribution of the alkaloids.

I have the honor to be
Sir

Yours Most obedient Servant

Wm Stander
Director

$\frac{D}{1}$ 1,000-8-4-97.

Re: ⁸⁰⁷statements ~~forms~~ attached to the
Cinchona Report.

REVENUE DEPARTMENT.

No.

From

Dated

189

Shelton: Wm Grose C. 28

FOR ORDERS.

The statements ~~are~~
revised by the Asst Sec
& Mr. Stander and are
accepted. There is no
need to refer to the Sec
of Min.

22/9/97

Secy.

Alan see
draft of current
for draft G.O.

Mc
24/8/97

In accordance
with the H.M.'s orders asking
for the papers showing where
the forms of accounts attached
to the Cinchona report were
fixed and why, a file of papers
which the office has been able
to collect on the subject are
submitted herewith, with the
brief note embodying the in-
formation which has been
gathered from them.

I It does not appear
that the Govt ever prescribed
or expressly approved of a
model form in which the
report should be submitted to
it.

II Previous to 1880
the Officers in charge of the
Govt Cinchona estates (see

22/9/97

the measure, the Commissioners of the Mildiries and the Conservators of Forests) had been modifying and expanding both the form of the report and the statements attached thereto without obtaining the special sanction of Govt. therefor — each year's report having been in fact a slight improvement on that of the previous year.

III In 1880 the Secy of State directed (without prescribing any special form) that a Capital and Revenue account of the Plantations should be attached to the subsequent year's report and the acct General was asked to furnish the necessary statement direct to the Comr. of the Mildiries (vide G.O. n° 278 Rev. dy 4th March 1880

IV The Dept having been in a transition state at the time, no admin. report would appear to have been received in 1880. Towards the close of 1881, however, a report for

FOR ORDERS.

for the year 1880-81 was received from the Conservator of Forests and to the review of ^{was attached} of a Capital and Revenue account presumably prepared by the Acct General and corresponding to the statement filed in the report for 1875-76

H₁ IV. In 1882, the Secy of State desired that a statement of receipts and charges in the form in which it was given in the Bengal report ~~may~~ might be attached to the Madras Report. The Despatch however having been received late in the year, the method of calculation therein prescribed could not be adopted in reviewing the figures for 1881-82 (para 10 of G.O. n° 1163 dy 17th Jan^y 1883) In the review of the report for 1882-83, the necessary statement in accordance with the orders of the Secy of State was ^{therefore} attached. (vide statement N° II attached to G.O. n° 1427 dy 19th Nov. 1883) and instructions were also issued

how issued as to how the proceeds of the work sent to England should be credited in the Capital and Revenue Accounts referred to in para IV above

VI By 1884, the number of Statements which accompanied the report had risen to 17 (independently of the two attached to the review in accordance with the Secy of State's orders) In that year therefore the Govt. after a careful scrutiny decided to amalgamate several of them and reduce their number from 17 to ~~14~~⁹ and issued instructions to the Director of the Govt. Cinchona Plantations accordingly (vide para 14 of G.O. No 1050 Rev. dt 17th Sept 1884)

VII In 1885 some further modification was ^{ordered to be} made in one of the Statements (i.e. in the Statement relating to expenditure) by the omission of monthly particulars. (vide para 19 of G.O. No 1016 dt 11th Sept 1895)

These have been sent from Madras to London. The model was suggested by the papers in London.

VIII In 1886, the Secy of State pointed out that the statement of receipts and charges referred to in para V above was not being quite correctly prepared and sent for information a skeleton form drawn up by the Asst. General, India Office. On the model of these forms, subsequent statements were being prepared.

VIII The work of drawing up the statements referred to in paras IV and VII above, was being attended to in this office and ^{statements} they were being appended to the reviews until 1892 when the work in question was transferred to the Director. The number of statements to be appended to the report was thus raised in that year from 9 to 11

IX In 1893, the ^{Director} ~~Govt~~ complained that the form of the statement referred to in para 7 above was very complicated and suggested that a simpler one might be adopted.

The Govt however thought that
form suggested by the Secy of
State should not be altered
without his orders para 9 of
G.O. N^o. 576 of 28th June 1893

X When Dr King visited the Plantations in 1895, he also inspected the accounts of the Cinchona Office and suggested that the forms of the ^{two} accounts referred to in the last two paras ^{Supra} should be altered. The Acct General was accordingly directed in para 11 of G.O. no 350 to give his opinion on the point, his attention being specially drawn to the Secy of States orders of 1886 on which one of them (St 12) was based - so that no alteration inconsistent with these orders might be suggested by him.

XI. The alterations proposed by the C. Co. now ~~are~~ do not it is submitted seem to be inconsistent with any orders issued by the Secy of State. and they have the further great

10-17-97 admixture of conveying some defunct idea of the financial position of
Simulations which two form a new ~~has not~~

The Hon: Mr. George C. L.

Have we not got the
papers showing where these
forms of account were first
traced? If so, I should like
to see them

29
30/8/97

To
The Director of the F.C.P.
Acft General

If thought necessary, perhaps the Sec of State may be asked if he wd have any objections to the new forms. But they do not seem to violate his Orders.

11-9-97

papers used
from Madras 9/9/99

Read again G.O. no $\frac{3685}{17.VIII.97}$
.. also C.No. 6555 of.

Order

The Acct General's proposals for the revision of the Statements appended to the annual Administration Report of the Govt Crichton's Plan-
tations ^{submitted to} ~~as well as~~ the further amendments suggested by Mr Standen in connexion with the same are approved.

Noti

In G.O. 350 Rev: of 23rd July 1896, para 11, the attention of the Acet General was drawn to a remark made by Mr Ording of Calcutta as to the defective method adopted in this Pres for keeping the Capital and Revenue accounts of the Govt & British Plantations and he was asked to report how the forms of the statements

026/27

Statements n^o 11 and 12 might best be modified. The point appears to have been overlooked in the Acct General's Office but after some time i.e. in July last the Acct submitted his reply to the above G.O. This was referred to Mr Standen for remarks in G.O. n^o 3685 of 17th July 1897 and the current now submitted contains Mr Standen's letter in which he deals with the several statements appended to the annual report in which alterations in his opinion ^{one} necessary. Some of these alterations were carried out by him in his last report and were approved by Govt (vide para 11 of G.O. n^o 578 Res. of 16th July 1897). As the points are clearly and concisely discussed in Mr Standen's letter no separate note dealing with these points separately is submitted. It may be mentioned here that the proposals now made are with reference to the statements appended to the Report for 1895-96

B

C

C

D

Mr Standen agrees with all the Acct Genl's suggestions except in two cases (Statements 7 & 10). Mr Standen in his report for 96-97 has carried out many of the suggestions now before Govt & Govt has approved. The most important alteration is that of Statement 11. It is submitted that the present statement is quite misleading & that the Acct Genl's proposals on this point (which are supported by Mr Standen) may be approved.
 pages 10 } E
 to 21 } F
 Submitted that Mr Standen's proposals may be approved.

Mr Standen has been told to accept all the proposals in the Acct Genl's report and that when he objects to any of them he should state why. 20/8/97

Government {1897} of Madras. REVENUE.

Recd.	} 1897.	Enclosures
Regd.		Spare copies

G.O., No. 807, 24th September 1897.

SEPTEMBER.

Statements appended to the annual Administration Reports of the Government Cinchona Plantations.
 Approving the Accountant-General's proposals for the revision of some of the —, subject to the further amendments suggested by Mr. Standen.

GOVERNMENT OF MADRAS.

REVENUE DEPARTMENT.

READ—again the following G.O., Mis. No. 3685, Revenue, dated 17th July 1897:—

Read—the following letter from F. C. HARRISON, Esq., Officiating Accountant-General to the Government of Madras, to the Secretary to Government, Revenue Department, dated Fort St. George, 10th July 1897, No. 2093:—

With reference to G.O., No. 350, Revenue, dated the 23rd of July 1896, and in continuation of my letter, No. 14-I.B.A., dated 6th instant, I have the honour to state that, in my opinion, all the statements should be considered as subsidiary and supplementary to statement No. 12.

2. In statement No. 3 the head "Repairs" might be changed to "Buildings and Plant" which is apparently considered so important as to be entered separately in statement No. 11. The heading should embrace expenditure both in the Civil and in the Public Works Department.

3. Statement No. 4 is perhaps unnecessary; it is in effect a resumé of statements Nos. 2 and 3.

4. In statements Nos. 5, 9 and 10 values should be filled in to serve comparison with statements Nos. 2 and 12.

5. Statement No. 7 should apparently show the number of trees decorticated under the various systems.

6. Statement No. 11 is, I think, useless and might be discontinued. I do not agree with the method employed in calculating interest. If the plantation is regarded as a commercial concern in account with Government, it should be charged with interest on its outlay. As this outlay goes on for twelve months, the simplest calculation is to take the interest upon the whole advance for six months. But just as the plantation is charged for its outlay it is entitled to interest on its receipts.

7. Taking the cost of the plantation up to 1875-76 at Rs. 11½ lakhs (the figure accepted by Government in G.O., No. 1339, Revenue, dated 24th June 1879), then charging and crediting interest as above the net result to date is a profit of Rs. 13 lakhs as shown in the accompanying statement. This profit mainly accrued in the period from 1876 to 1883. At the present time, the plantation is being conducted at a loss. If Government desire to retain in each year's accounts a calculation on account of interest, the simplest course is to enter the item at once in statement No. 12. Taking last year's accounts as shown in the statement, it will be sufficient to enter on the "Disbursements" side after the entry Rs. 82,560. "To interest at . . . per cent. on half of Rs. 82,560, . . . so much" and again on the "Receipts" side below Rs. 1,02,881 . . . "To interest at . . . per cent. on half of Rs. 1,02,881 . . . so much."

8. In statement No. 12 the stock of quinine, febrifuge, &c., are included, but it would be as well to enter the quantities. "Buildings and Plant" might also be valued and exhibited if considered important. On the right hand side, the value of quinine packets remaining with Collectors, &c., as permanent advances at the end of the year should be shown instead of those sent to them during the year, as the value of these would be returned as receipts of the year. For the same reason the amount due from the Bombay Medical Stores should be omitted. Otherwise, the form of the statement in question seems to be unobjectionable.

9. Of course when I state as above the plantation is working at a loss, I am not expressing any opinion as to its real financial position which cannot be ascertained without an estimate of the value of the trees as they now stand and of the future market demand and prices.

STATEMENT of Receipts and Charges of the Cinchona Department.

Year.	Charges		Simple interest(a).	Total 1 + 3.	Receipts		Simple interest(a).	Total 5 + 7.	Surplus 8 — 4.	Deficit 4 — 8.
	of the year.	to end of year.			of the year.	to end of year.				
—	1	2	3	4	5	6	7	8	9	10
1875-76 ..	Rs. ..	Rs. 11,22,117	Rs. ..	Rs. ..	Rs. ..	Rs. ..	Rs. ..	Rs. ..	Rs. ..	Rs. ..
Net outlay as per objection statement in G.O., No. 1339, Revenue, dated 24th June 1879.										
1876-77 ..	59,630	11,81,747	51,837	1,11,167	1,10,457	1,10,457	2,485	1,12,942	1,475	..
1877-78 ..	69,772	12,51,519	54,748	1,24,520	3,57,215	4,67,672	13,008	3,70,223	2,45,703	..
1878-79 ..	73,683	13,25,202	57,976	1,31,659	4,00,354	8,68,026	30,053	4,30,407	2,98,748	..
1879-80 ..	79,724	14,04,926	61,428	1,41,152	4,39,787	13,07,813	48,956	4,88,743	3,47,591	..
1880-81 ..	96,105	15,01,031	65,384	1,61,489	3,46,470	16,54,283	66,647	4,13,117	2,51,628	..
1881-82 ..	1,13,575	16,14,606	70,102	1,83,677	5,71,889	22,26,172	87,310	6,59,199	4,75,522	..
1882-83 ..	1,06,392	17,20,998	75,051	1,81,443	5,86,349	28,12,521	1,13,371	6,99,721	5,18,277	..
1883-84 ..	1,24,561	18,45,559	80,248	2,04,809	85,081	28,97,602	1,28,478	2,13,559	8,750	..
1884-85 ..	86,824	19,32,383	85,003	1,71,827	85,829	29,83,431	1,32,323	2,18,152	46,325	..
1885-86 ..	80,379	20,12,762	88,766	1,69,145	1,04,103	30,87,540	1,36,597	2,40,796	71,561	..
1886-87 ..	84,228	20,96,990	92,469	1,76,697	71,790	31,59,330	1,40,555	2,12,345	35,648	..
1887-88 ..	72,161	21,69,151	95,988	1,68,149	3,941	31,63,271	1,42,259	1,46,030	..	21,949
1888-89 ..	69,494	22,38,045	99,175	1,68,669	3,602	31,66,873	1,42,428	1,48,072	..	22,639
1889-90 ..	68,181	23,06,826	1,02,273	1,70,454	6,440	31,72,313	1,42,632	1,48,072	..	22,382
1890-91 ..	71,914	23,81,740	1,05,493	1,80,107	28,876	32,01,189	1,43,404	1,72,280	..	8,127
1891-92 ..	75,805	24,57,545	1,08,884	1,84,689	77,067	32,78,256	1,45,783	2,22,855	38,166	..
1892-93 ..	78,886	25,36,431	1,12,364	1,91,250	72,807	33,51,063	1,49,160	2,21,967	30,717	..
1893-94 ..	73,071	26,09,502	1,15,784	1,88,855	69,337	34,20,400	1,52,358	2,21,695	32,840	..
1894-95 ..	78,411	26,87,913	1,19,191	1,97,602	77,712	34,98,112	1,55,667	2,33,379	35,777	..
1895-96 ..	82,560	27,70,173	1,22,814	2,05,374	1,02,882	36,00,994	1,59,730	2,62,612	57,238	..
Total ..	16,48,356	..	17,64,978	..	36,00,994	..	22,33,200	..	24,95,966	11,97,214
Surplus ..									12,98,752	..

(a) Interest at 4½ per cent. on half the charges or receipts of the year, plus charges or receipts at end of the previous year.

Order—Mis. No. 3685, Revenue, dated 17th July 1897.

Referred to the Director of the Government Cinchona Plantations for report as to whether he has any suggestions to make in connection with the subject.

(True Extract.)

(Signed) G. STOKES,
Ag. Secretary to Government.

To the Director of Government Cinchona Plantations.

READ—also the following letter from W. M. STANDEN, Esq., Director of the Government Cinchona Plantations, Nilgiris, to the Secretary to Government, Revenue Department, dated Ootacamund, 29th July 1897, No. 51:—

With reference to your endorsement, No. 3685 of 17th July 1897, on the letter No. 2093, dated 10th July 1897, from the Accountant-General, reporting on the forms of accounts maintained by the Cinchona Department, I have the honour to report as follows:—

The Accountant-General throughout his letter refers to the statements appended to the annual report of 1895-96 and it is to these forms, therefore, that my remarks will apply:

Statement 1.—This deals with the rainfall on the various estates and requires no alteration.

Statement 2.—The Accountant-General makes no suggestion with reference to this form, but I am of opinion that it should show the number of pounds of quinine and febrifuge for which payment has been made, and, as the post of Quinologist has been abolished, the head "Factory charges" under expenditure should be substituted for "Quinologist."

Statement 3.—I agree with the Accountant-General that the head "Repairs" might be changed to "Buildings and Plant" and that it should embrace expenditure both in the Civil and Public Works Department. For reasons given above, "Factory charges" should be substituted for "Quinologist's Department."

Statement 4.—This the Accountant-General considers unnecessary as it is a resumé of 2 and 3. I concur, and it may be observed that this statement was omitted in my annual report for 1896-97.

Statement 5.—The Accountant-General suggests that values should be filled in to compare with statements 2 and 12, but I consider this (No. 5) form quite unnecessary as the information is contained in 6-B. For this reason, I omitted it in my annual report for 1896-97.

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Statement 12.—The Accountant-General's suggestions as to exhibiting the quantity of quinine and febrifuge in stock, and the stock of quinine packets with Collectors and Postmasters at the beginning and at the end of the year, were anticipated in my report for 1896-97. I do not think that it is necessary to include the value of Buildings and Plant. The Accountant-General suggests that the amount shown in the report for 1895-96 as due from the Bombay Medical Stores should not have been included, as this sum would be shown among receipts in the following year, when the money was paid. It is true that for many years past the outstandings due at the end of the year were taken credit for in the balance sheet of that year, and, during the following year when the money was paid, were again credited in the balance sheet for that year. Large sums were in this way credited twice over, first as outstandings, then as receipts. The proper course would have been to show the sums outstanding since

they represent transactions of the year, but in the following year, when these sums were realized, to show them on both sides of the balance sheet. By this procedure which was adopted in my report for 1896-97, the year to which the transaction belongs, gets credit for the sum due, while the balance sheet of the year following shows the realization of the sum, but does not benefit thereby as the amount is also entered on the debit side. It is necessary that the realization of a previous year's outstandings should be shown in statement 12 in order that there may be correspondence between the total receipts in this statement and those in the Accountant-General's books.

It will be observed, on reference to my annual report now with Government, that the balance sheet is preceded by a stock account setting forth in detail the opening and closing stocks of the year. I think it is better to show the value of the stock in this way than to burden the balance sheet with the details. It has been the custom hitherto to value the bark at cost price and the quinine and febrifuge at the rates fixed for their sales during the year, but it would, I think, be preferable to have a more uniform system and to value the quinine and febrifuge at cost price as well as the bark. In paragraph 7 of the Accountant-General's letter it is stated that at the present time the plantation is being conducted at a loss. I hope I may be permitted to point out that this remark can hardly apply to the year 1896-97. The heavy losses shown in the balance sheets of previous years were partly due to the incomplete exhaustion of the bark treated in the factory, but were mainly owing to the fact that the stocks of bark were overvalued. In order to arrive at the cost price of the bark, the whole expenditure of the department was divided by the number of pounds of bark harvested during the year. This system was clearly fallacious as the cost of chemicals, &c., could have nothing to do with the production of the bark. The expenditure on Head office and plantations alone is the cost of the crop, while the disbursements on Factory and Quinologist's Department represent the cost of manufacture and distribution of the alkaloids.

ORDER—No. 807, Revenue, dated 24th September 1897.

Miscellaneous.

The Accountant-General's proposals, for the revision of the statements appended to the annual administration reports of the Government Cinchona Plantations, subject to the further amendments suggested by Mr. Standen, are approved.

(True Extract.)

(Signed) G. STOKES,
Ag. Secretary to Government.

To the Accountant-General.
,, the Director, Government Cinchona Plantations.

Exd. Shaik Karim.

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