

(1) Number of pages 10.(2) Date of repair 24. 6. 38.(3) Initials of the Referencer 4

MADRAS RECORD OFFICE.

Government of Madras.

Finance DEPARTMENT.

G.O. No.	501	Press Mis.
26-27.		
Dated	7-7-	1862.

26-27

6/7

Not to be folded or roughly handled

12

*Proceedings of the Madras Government, Financial Department,
7th July 1862.*

No. 26. Read the following Proceedings of Government in the Revenue Department, dated
1st July 1862, No. 1,428.

*Communicating the Resolution of the Govern-
ment of India objecting to swell estimates by a
nominal charge for Customs duty on Govern-
ment stores and directing that they should
either be sold in Bond or at a fair market price
from which the amount of Customs duty should
be credited to Customs Revenue.*

(Vide Proceedings Revenue Department, dated
1st July 1862, Nos. 1 and 2.)

No. 27.

ORDER THEREON, 7th July 1862, No. 501.

Communicated to the Mint Master.

(Signed) A. J. ABRUTHNOT,
Acting Chief Secretary.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

Read the following Extract from the Proceedings of the Government of India, in the Financial Department, dated 13th May 1862, No. 3,515 :—

Extract from the Proceedings of His Excellency the Governor General in Council, in the Military Department, No. 317, under date the 10th March 1862.

Extract of a letter from the Military Finance Department, to the Secretary to the Government of India, Military Department, No. 5,575a, dated Calcutta, 17th January 1862.

Paragraph 16. The point brought forward in paragraph 18 of the Superintendent's report, respecting the addition to the cost of Customs duty at 10 per cent. on the value of all new instruments, appears to us to require the attention of the Government. If this charge be added to the cost of supplies as a debit against them, it necessarily follows that a corresponding credit must be made to the Revenue under the head of Customs, which will not only be fictitious, as no duty is paid on such articles, but will also have the effect of apparently increasing the revenue of the State, and thereby cause confusion in squaring the transactions of the year, by making the Imperial revenues appear larger than they really are. The amount in this case of the fictitious charge and revenue would be but small, it is true, but still we look upon the principle as fallacious; for that is really only income or revenue which is actually realizable or tangible. The same principle applies to departments whose receipts from England are large; as for instance, the Ordnance Department and the Commissariat Department would cause it to appear that a considerable amount of revenue under the head of Customs duty accrues to the Government in each year, while on the other hand, the apparent expenditure of those departments would be so much the greater, although not actually so; and the amount of duty represented as levied would be only a paper charge. As this would tend to mislead, both in framing the Military estimates and in estimating the Imperial revenue, we would recommend that orders should be given, that as the stores, instruments, &c., belonging to any department, pay no duty, no charge for such should be reckoned in the accounts, or any corresponding amount credited to the State as revenue in the Customs Department.

17. We have already brought this point under the notice of Government in our report, No. 1,287a, to the Government of India, Financial Department, dated 18th November 1861, by whom it has been ruled, under date 26th November, that as no duty is actually paid on Military stores, none need be charged on such stores as may be issued to Troops; and it is only now needful to extend the provisions of the order to other Departments of the State.

Ordered, that the above be transmitted to the Financial Department, for consideration and orders.

No. 1,942, FINANCIAL DEPARTMENT, FORT WILLIAM, THE 22ND MARCH 1862.

OFFICE MEMORANDUM.

With reference to Extract from the Proceedings of Government, in the Military Department, No. 317, dated the 10th instant, the undersigned has the honor to request that the Secretary in that Department will be good enough to oblige him with a copy of the "Superintendent's report" referred to in paragraph 16 of the letter from the Military Finance Department, No. 5,575a, dated the 17th January last.

No. 131, Military Department, Fort William, the 1st April 1862.

Forwarded to the Financial Department, with reference to Memorandum from that Department, No. 1,942, dated 22nd March last.

which have been lying by for some time, or the share of house-rent and office establishment should not be taken into account, and as the latter has been included by order of the Finance Department, therefore I may fairly claim the 10 per cent. enhancement as above alluded to.

14. The Examiner of Ordnance Accounts has, I consider, very properly advised that the old rates fixed from time to time by the late Military Board in the transaction of the business of this Department, should be set aside, and that an equitable uniform rate should be fixed and substituted in their stead. That Officer is of opinion, that for repairs in general, 10 per cent. of the value of each instrument for supervision, in addition to the actual cost of its repair, is a fair charge; and I fully concur with that Officer, and propose to adopt it in the preparation of the accounts for the present official year 1861-62, in substitution of $\frac{1}{2}$ of the value of each instrument, which (although out of all proportion) was the rate fixed by the late Military Board, and according to which the accounts have been hitherto calculated.

15. The deductions on the debit side of Statement B are equivalent to crediting the Department with the same sums. The first and chief of these deductions is for new instruments purchased in contingent and extra contingent bills. The latter have been supplied on Indents duly countersigned by competent authority, and as such instruments were not on hand in the stores, they were consequently ordered to be purchased and charged for in separate or extra contingent bills, and as their cost cannot be considered a legitimate expense of the Department, the same is therefore deducted as heretofore.

16. The common Native instruments purchased or made up by contract and charged in the regular contingent bills, were supplied to Civil Officers, who paid for the same; and as this money was realized from them, it has been credited to the Department, and the sums regularly deducted from the same regular contingent bills. Though these transactions have been entered in the regular Monthly Reports, yet the vouchers of such parties for the instrument supplied to them existing in this Office, have not been transmitted since payment has been made, and the transactions thus closed as far as this Department is concerned.

17. The Examiner of Ordnance Accounts, in his Memorandum, No. 1,382, of the 24th June last, to my address, directs the discontinuance of the practice of supplying Civil Officers, even with ordinary country or bazar-made instruments on payment, without an authorized indent; and also that no money transactions are to be observed in this Department. This is an excellent regulation, and will be strictly acted up to in future. It will save this Office much trouble, and also protect Government interests much better.

18. The Examiner also in the same letter points out, that since Act X of 1860 came into force, Custom duty @ 10 per cent. should be added to the original or invoice price of all instruments, which I will make it a point to observe for the future; and it is on the addition of this 10 per cent. to the original cost of all instruments that a similar percentage will be charged to the credit of the Department on their issue, as before explained.

19. In the final part of the 3rd paragraph of the same Officer's No. 1,582, of the 1st July last, to my address, he directs that the actual cost of the repairs of all instruments should be noted on the receipts sent to each individual for signature. As this involves considerable extra labor in calculating the cost of repairs, and renders the return of the instruments sent for repair liable to detention, I have not yet been able to carry out this alteration. The speedy issue of these receipts is a matter of importance, and any detention of instruments after repair, is likely to be attended with danger to the public service. My Office establishment is already unequal to the demands made on it, and to meet the necessary punctuality of rendering the numerous returns to the Financial Department.

20. The other items deducted from the debit side of the Statement B, are freight or transit charges for receiving and despatching instruments. These expenses are not legitimately appertaining to the prosecution of the business of this Department, but are incurred on account of officials, to whom they are properly chargeable; they are consequently deducted to show the actual necessary expense of the working of this Department, which is what alone I have to consider.

21. In the preparation of the annual Accounts for the current year, the issue of all instruments to indenting Officers and others will be charged in the monthly Reports at the prime cost, plus 10 per cent. on this cost; the prime cost being original or Europe price, plus 10 per

cent. for Custom duty; but in the preparation of the Annual Accounts, only the 10 per cent. on the prime cost will be considered as profit to the Department; and this rule will hold good whether the instruments were originally received from the Arsenal or England, or are manufactured in the Department; 10 per cent. on their prime cost will be charged on their issue as profit to the Department.

22. The cost for the repair of old instruments, the value of which may be unknown, will be fixed by the Mathematical Instrument Maker, according to what he may consider a fair and reasonable trade price.

23. To meet the views and wishes of the Finance Department, I prepared and submitted to the Examiner of the Ordnance Branch, a new form of Monthly Report or Diary, which has been approved of, and adopted from the beginning of the present official year 1861-62. A new form of Statement C. or Annual Return of instruments in store, has been furnished to me, with a view to assimilate it, as much as possible, with similar Returns furnished by Magazine Officers, and to compress, as much as possible, the information to be rendered. This will be adopted for the current year, and I believe it will save much labor and delay in getting these bulky Annual Statements out of hand.

24. I contemplate reducing its size still further, by holding a Committee of Survey on all old useless stores and instruments which cannot be turned to any account whatever. All such obsolete instruments and articles should be sold by public auction, as they only occupy space and entail useless clerical labor in being yearly brought upon the Books of the Department.

25. During the official year under report, consignments of instruments from England were received only by the ship *Annie Archbell*, and the same are detailed in Statement D. Additional stores have been received since the 1st May, and our stock of most instruments is now well cared for; the exceptions are contained in my Supplementary Report as per margin.

No. 187, dated 5th May 1861, to the President Military Finance Department.

26. In a Survey Report on instruments received, I again pointed out the necessity of being furnished, in due time, with intimation of the despatch of instruments from England for this Department, and I am happy to state that the Examiner of Ordnance Accounts, in his reply thereto, No. 636, dated 27th May last, was good enough to promise to furnish this Department, as soon as received, with extracts from all Packing Accounts containing instruments. I would add to my request, by desiring that their invoice prices with 10 per cent. added for Custom duty, according to the Act before referred to, be at the same time furnished, or entered upon the extract, and that their values be in all cases converted to Rupees, Annas and Pie from Pounds, Shillings, and Pence.

27. Statement E. details the number of implements and tools on hand in the Workshops of the Department. Their total is 3,438 English and 366 Country.

28. During the year, the subject of Civil and other Indents have been under the consideration of the Military Finance Department, and rules have been drawn up and published in the Gazette for the guidance of Indenting Officers, which will, it is hoped, prove advantageous.

Vide Notice, dated 4th July 1861, by Survey or General in Gazette No. 61, dated the 31st July 1861.

Boards of Revenue or heads of Dept.
Head of the Depts.
Chief Engrs. P. W. Department, or
Secys. to the several Govts. P. W. Depts.
Chief or Director Genl. of the Dept.
Naval Secy. and Controller.
Qr. Mr. Genl. of the Army.
Authority of the Govt. under which
they are serving at the time.
Govt. under which serving.

Survey (Revenue or Civil)
Survey (Professional) Dept.
P. W. Dept.
Telegraph Dept.
Marine Dept.
Officers of Qr. Mr. Genl.'s Dept.
All other Civil Officers or Military.
Officers holding Civil employment,
Officers not connected with any Dept.

* No. 87, dated 28th February 1861.

29. The authorities, as per margin, have alone been declared competent to pass Indents by your Memorandum, No. 2,350, dated 6th current, and this will be strictly carried out in future.

30. In my recent special report cited in the margin,* addressed to the President, Finance Department, I entered very fully into the working of this Department; and with the details now given, I trust that the whole subject may be considered to have been fairly disposed of.

Financial Department, Fort William, the 13th May 1862.

RESOLUTION.

The Governor General in Council observes that it is altogether wrong either to swell Estimates by a nominal charge for Customs duty on Government stores, or under any circumstances to *sell* Government stores to individuals or to the public without adding the duty to cost price. He therefore directs that they should either be sold in Bond, or when this cannot conveniently be done, at a fair market price, from which the amount of Customs duty should be credited to Customs Revenue.

Ordered, that a copy of the above be sent to—

The Military Department.

„ Home ditto.

„ Foreign ditto.

„ Public Works ditto.

„ Military Finance ditto.

Government of Bengal.

Ditto North-Western Provinces.

Ditto Punjab.

Ditto Madras.

Ditto Bombay.

Chief Commissioner, Oude.

Ditto Central Provinces.

Ditto British Burmah.

Commissioner, Berar.

Auditor General of India.

Deputy Auditor and Accountant General, Bengal.

Ditto ditto North-Western Provinces.

Ditto ditto Punjab.

Ditto ditto Madras.

Ditto ditto Bombay.

Ditto ditto Hyderabad.

Ditto ditto Nagpore.

Accountant General, Government of India.

(A true Extract.)

(Signed) E. DRUMMOND,
Secretary to the Government of India.

ORDER THEREON, 1st July 1862, No. 1,428.

Ordered to be communicated to the several Departments of the Secretariat and the Board of Revenue.

(True Extract.)

M. M. M.

Acting Deputy Secretary to Government.

To the Military Department.

„ Public Department.

„ Public Works Department.

„ Financial Department.

„ Marine Department.

„ Board of Revenue.

Exd. S. T. Augustin.

Visit of N. S. Miller

Tril 1862 Sept 1

Pro: 78000 in the

Rev: 84 1428

116 N. 7

81 142 1/2 July 1862.

291: 291

one 541

Long the Revolution the
port of studies of type in 5.
estimated by a woman's eye
for custom duty in 1802 there
to 1802. The 1802, should
either be 1802 or 1802. The
fair market price from which
the amount of custom duty
should be credited to custom
Revenue.

26429

With an Order

Order House of July 1862 No. 521.

Communicated to
the West Rector.

W. V.

To the West Rector. } Rev. 8th
" East Rector. }