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MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

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Proceedings of the Madras Government, Financial Department,
12*th January* 1864.

No. 38. Read the following Proceedings of Government in the Revenue Department, dated 15th December 1863, No. 2295.

Offering remarks on the Budget Estimate of Revenues and Receipts for 1864-65, *submitted by the Board of Revenue.* } (Vide Proceedings Revenue Department, dated 15th December 1863, Nos. 262 and 263.)

No. 39. ORDER THEREON, 12th January 1864, No. 23.

To be recorded.

(Signed) A. J. ARBUTHNOT,
Chief Secretary.

Exd. T. O'Connor.

Proceedings of the Madras Government, Revenue Department, 15th December 1863.

No. 262. Read the following Proceedings of the Board of Revenue, dated 14th November 1863 :—

1. The Board resolve to submit to Government their Budget Estimate of Revenues and Receipts for 1864-65, with the following remarks :—

Items.	Actuals of 1862-63.	Estimate of 1863-64.	Estimate of 1864-65.
Land Revenue	418,96,273	399,63,440	407,88,321
Do. Miscellaneous	4,35,064	3,66,150	10,44,581
Total ...	423,31,337	403,29,590	418,32,905
Forest Revenue	1,82,449	3,01,936	4,05,880
Abkarry	35,04,072	35,80,620	39,62,728
Income Tax	22,31,775	18,35,400	13,69,767
Sea Customs	17,67,843	16,15,950	18,63,212
Land Customs	1,91,496	1,77,100	1,97,000
Salt	91,15,650	86,00,000	102,98,718
Stamps	21,17,916	22,00,000	21,30,757
Total including Land Revenue....	614,42,538	586,40,596	620,60,967
Public Works	45,612	46,200	46,410
Grand Total...	614,88,150	586,86,796	621,07,377

The annexed Abstract shows in one view the Estimate for the next ensuing year in comparison with the actual receipts in 1862-63, and the estimated receipts in the current year.

2. On the receipt of the orders of the Government of India, communicated with the Proceedings of the Madras Government, dated 21st March 1863, No. 26, the Board issued a Circular to the Collectors directing them to observe strictly the principles therein laid down in the preparation of their future Budgets, and the Estimates of the Collectors for 1864-65 have been framed accordingly, *i. e.*, all sums likely to come in course of receipt during the year whether on account of the current demand of that year, or of the arrears of previous years, and those sums only constitute the anticipated income.

3. Land Revenue.—The income from this source is dependent so entirely on the season that it is difficult at this distance of time to form any reliable Estimate of its amount. Thus for 1862-63 the Estimate passed by the Government of India, with reference to the average receipts of the three previous years amounted to Rupees 399,50,000 while the actual receipts were Rupees 423,31,337, far exceeding the Estimate.

II. The present Estimate has been framed by the Collectors carefully on the average receipts of three years making due allowance for the extension or diminution in the area of cultivation and other circumstances likely to influence the income of the year, but for the reason above stated, the Board are not inclined to accept this Estimate as more than a distant approximation to probable results. Compared with the Estimate of 1863-64, the present Estimate shows an increase of Rupees 15,03,315 owing probably to the former having been framed, before the receipt of recent instructions, on the anticipated *current* demand of the year, without including the expected receipts on account of *arrears* of former years. It shows, however, a decrease of Rupees 4,98,432, as compared with the actuals of 1862-63, and this result is due in part to the large collections in that year on account of arrears of previous years which are not likely to occur to the same extent in 1864-65.

III. In preparing the present Estimate, it was found necessary to transfer to the head of Land Revenue Miscellaneous certain items usually credited to Land Revenue, and hence, large variations will be observed in some Districts under these heads between the Estimates of the current and ensuing years, but these in no way affect the estimated total of Land Revenue.

4. In the Estimates received from the Collectors, the amounts in the column " Actuals of 1862-63" were in some cases found to differ from those in the Progress Report for April 1863. In all such cases, the latter amount have been adopted by the Board for comparison in their General Estimate. As regards the Estimates for 1863-64, the Orders of the Government of India passing them not having been yet received, the amounts passed by the Madras Government have been taken for comparison, and wherever the entries in the Collector's Budgets were found to differ from these, they have been altered to correspond.

5. Forest Revenue.—This branch of revenue was hitherto included under "Sayer" as a minor item; but under the Financial Resolution of the Government of India dated 11th February 1863, communicated with the Proceedings of the Madras Government, dated 18th March 1863, No. 192, it is treated now as a distinct head. The Collectors do not appear to have prepared their Estimates under this head in communication with the Forest Conservancy Department, and there are reasons to believe that some Collectors have included under it items of receipts not properly appertaining to the Forest Department, such as jungle rents, sale of scattered trees, &c., which are collected in the Revenue Department, and should come under Land Revenue Miscellaneous, or to the credit of the Local Funds minor head "Jungle Conservancy Fund" if the collections are those appropriated for planting purposes and improvement of avenues, &c. The collections made by the Forest Conservancy Department should alone be entered under the distinct head of "Forest Revenue," and with this view the Board obtained from that Department an Estimate of probable receipts, and have embodied it in their General Budget. As full particulars of these receipts will be furnished by the Conservator in his separate Budget to be submitted to Government, the Board deemed it unnecessary to obtain them for their Budget.

6. Abkarry.—The large increase in the Estimate under this head as compared with the Estimate of 1863-64 and the actuals of 1862-63, is due partly to the higher amounts of rent obtained for the Abkarry farms in some Districts at the last renewal of the leases, and partly to the inclusion of the Abkarry collections in the Military Cantonments of Bellary, Trichinopoly, and Cannanore, under the Order of Government, dated 6th May 1863, No. 779.

7. Income Tax.—The estimated receipts on account of Income Tax for 1864-65 show a decrease of Rupees 4,65,633 below the Estimate of 1863-64 and Rupees 8,62,008 below the actuals of 1862-63. During the first quarter of 1862-63 the 2 per cent. Income Tax was in operation, but it was abolished from 1st August 1862. The Estimate for 1863-64 included the probable collections on account of the full 4 per cent. Tax, which on the 1st August 1863 was reduced to 3 per cent. In consequence of these reductions, the Estimate for 1864-65 is necessarily low, as compared with the previous years. The revised Estimate for 1863-64, forwarded to Government with the Board's Proceedings dated 23rd October 1863, amounts to Rupees 15,03,564 which is necessarily larger than the present Estimate as the full 4 per cent. Tax was in operation in the first quarter of that year.

	1863-64.	1864-65.
Bellary	91,550	95,100
Malabar	1,00,100	1,00,200

II. In the Districts noted in the margin, the Collectors estimated larger sume for 1864-65 than those for 1863-64, but as they should be smaller in consequence of the reduction of the 4 to 3 per cent., the Board have altered them to Rupees 80,100 in each case.

8. Sea Customs.—The Estimate under this head shows an increase over that for the current year and over the actuals of 1862-63. The Estimate for 1863-64 as originally fixed was subsequently revised with reference to the reduction made in the rates of duty on certain articles, and the result of this revision as already reported to Government in the Board's Proceedings dated 23rd July 1863, No. 4,582, was an increase over the original Estimate to the extent of about 70,000 Rupees. The Estimate thus altered stood at Rupees 16,71,350, and compared with thist the Estimate for the next ensuing year shows a further increase of Rupees 1,76,100. The, increase is expected chiefly at the ports of Madras and Tanjore. The Acting Collector of Madras Sea Customs explains that the average collections of the last three years has been taken, and deducting therefrom 1½ lacs of Rupees on account of the recent reduction in the rates of duty, the remainder has been assumed as the probable receipts of the ensuing year. The Collector of Tanjore has not offered any similar detailed

Madras	1,51,800
Tanjore	30,450

explanation, but states that he expects the increase as estimated in consequence of the general increase of trade. The variations under the head of Land Customs are not so material as to call for any observations.

9. Salt Revenue.—The Estimate under the head of Salt amounts to Rupees 102,91,400 which is in excess of the *original* Estimate for the current year by Rupees 16½ lacs, and above the actuals of 1862-63 by 11½ lacs. The Estimate of 1863-64 as revised with reference to Government Order, dated 31st March 1863, No. 599, and submitted to Government with the Board's Proceedings dated 13th November 1863, is Rupees 96,06,184, and compared with this, the excess in the present Estimate is only Rupees 6,85,216. The amount of the original Estimate for 1863-64 as passed by the Madras Government has however been retained in the Statement for comparison. As directed in paragraph 3 of the Government Order alluded to, the Board resolve to forward herewith a separate Statement showing in full detail the expected transactions of the Salt Department during 1864-65, and it will be observed from this that in the Madras District an increase is expected in the sales of 1864-65 of Indian Maunds 4,05,400 estimated to yield an additional revenue of Rupees 4,92,000. This separate Statement shows the particulars required by Government for each District, but if the details of each station and Depôt are considered necessary, the original Statements received from the Collectors, which contain them both for 1863-64 and 1864-65 will be submitted to Government.

		Rs.
Actuals ..	1862-63...	91,15,650
Estimate ..	1863-64...	86,00,000
Do. ..	1864-65...	102,91,400

Salt Sales.		Ind. Mds.
Actual ..	1862-63..	66,50,341
Estimate ..	1863-64..	69,26,361
Do. ..	1864-65..	74,93,722

		Quantity. Ind. Mds.	Value. Rs.
1863-64...	... ...	16,94,600	19,78,500
1864-65...	... ...	21,00,000	24,70,500
		4,05,400	4,92,000

10. VI. Stamps.—The Estimate of Stamp receipts does not show any material variation either as compared with the Estimate of 1863-64 or the Actuals of 1862-63. The increase over the actuals is only Rupees 12,841 and is expected in consequence of the opening of additional Moonsiff's Courts in some Districts. The Board see reason to think that the Collectors have somewhat under-estimated the revenue from this source, as the actual receipts of the first five months of the current year indicate a small but apparently steady rise.

Dates on which District Budget Estimates were received.

Districts.	Receipts.	Charges.
Ganjam	2nd October 1863.	2nd October 1863.
Vizagapatam ...	,, ,,	,, ,,
Godavery	28th September ,,	28th September ,,
Kistna	26th October ,,	26th October ,,
Nellore	21st ,, ,,	8th ,, ,,
Cuddapah	28th September ,,	28th September ,,
Bellary	5th October ,,	5th October ,,
Kurnool	30th September ,,	30th September ,,
Madras	5th October ,,	8th October ,,
North Arcot ...	3rd ,, ,, / 2nd November ,,	3rd ,, ,,
South Arcot ...	2nd October ,,	15th ,, ,,
Tanjore	5th ,, ,,	7th ,, ,,
Trichinopoly ...	5th ,, ,,	5th ,, ,,
Madura	1st ,, ,,	1st ,, ,,
Tinnevelly	21st ,, ,,	21st ,, ,,
Coimbatore	5th ,, ,,	5th ,, ,,
Salem	,, ,,	,, ,,
South Canara ...	29th September ,,	29th September ,,
Malabar	5th October ,,	5th October ,,
Madras, Sea Customs	28th September ,,	28th September ,,
Stamp Supt. ...	7th October ,,	7th October ,,
Accountant General	9th ,, ,,	9th ,, ,,
Income Tax ...		3rd ,, ,,
Mint Master ...	,, ,,	
Presidency Income Tax Commissioner	4th November ,,	4th November ,,
Inspector Genl. M. P.	,, ,,	29th ,, ,,

11. XIII. Public Works.—The receipts under this head consist of fees collected in the Travellers' Bungalows and tolls on the navigation of Cochrane's canals in the Madras District. The estimated income from these sources is small and does not show material variations either as compared with the Estimate of 1863-64 or with the Actuals of 862-63.

12. With reference to the remarks of Government in paragraph 1 of Government Order, dated 15th December 1862, No. 2,616, Revenue Department, the Board note in the margin the dates on which the District and other Budgets reached their Office. The Estimate of charges has been compiled and will be submitted to Government shortly.

No. 263. ORDER THEREON, 15th December 1863, No. 2,295.

1. With these Proceedings the Board of Revenue submit the Budget of Revenues and Receipts for 1864-65 which, they explain, has been prepared on the correct principle of including as revenue every sum expected to be received within the year.

2. LAND REVENUE.—The Board's Estimate under the head "Land Revenue" is based on the average receipts of three years "after making due allowance for the extension or diminution in the area of cultivation and other circumstances," and amounts to Rupees 418,32,905, the actual collection of 1862-63 having been Rupees 423,31,337.

3. So much of the Land Revenue of this Presidency depends on the character of the season, on rains in fact which do not fall till some months *after* the year has commenced, that a really accurate Estimate cannot be framed at present, nor indeed for months to come.

4. The year 1862-63 was a favorable one and prices ruled high.

5. The current year is very promising, and already the collections amount to Rupees 115 lacs against 99 lacs in the previous one up to the same date. With two years so much in favor of the Ryots, their means for extending cultivation and resources against an adverse season must have largely increased, and the Government consider that 420 lacs may reasonably be assumed for 1864-65. This sum is 3½ lacs below the actual receipts of 1862-63, but as the Board remark the revenue of that year was swelled by the collection of arrears, whereas the assessment is now realized with punctuality, the demand for Cotton in 1864-65 may not be so great nor its price so remunerative, and contingencies of season must be regarded.

6. FOREST REVENUE.—The Budget for this branch of revenue will be separately considered.

7. ABKARRY.—The Board's Estimate of the revenue under this head, viz., Rupees 39,62,728, is approved. The large increase over the actual collection of 1862-63 and the estimated collection of 1863-64 is due partly to greater competition for the farms in several Districts and partly to the inclusion under this head for the first time of the Abkarry collections in certain Military Cantonments.*

Actual of 1862-63, Rupees 35,04,072
Estimate of 1863-64, " 35,80,620

* Bellary.
Trichinopoly.
Cannanore.

8. INCOME TAX.—The Board's Estimate is Rupees 13,69,767. The decrease is owing to the reduction of the tax from four to three per cent. The Government observe that this Estimate includes stoppages on account of the tax from the pay of public servants both Civil and Military and from interest on Promissory Notes. The Government take the round sum of 14 lacs.

9. CUSTOMS.—The Board's Estimate under this head, viz., Rupees 20,60,212, shows an increase of more than a lac of Rupees on the actual collections of 1862-63, and of two lacs and sixty-seven thousand on the Estimate of 1863-64. The greater portion of the increase is owing to the improvement in the general trade of the country. The collections of the past six months of the current year amounted to Rupees 10,91,413, while the similar collections of the first half of 1862-63 amounted to Rupees 8,60,545. The total actual revenue in the latter year amounted to Rupees 19,59,339, and the revenue of 1863-64 may on these data be assumed at Rupees 21 lacs. The improved condition of the people and other circumstances connected with the trade of the Presidency lead to the conclusion that 22 lacs may safely be expected in 1864-65.

10. SALT.—The Board's Estimate of Rupees 102,91,400 under this head appears reasonable. The actual collections in 1862-63 were 91,15,650, of which Rupees 36,31,133 only were realized in the first half of the year. During the similar period of the current year the revenue amounted to Rupees 38,14,650, and there is every probability that the revenue of the whole year will, as the Board expect, amount to 96 lacs. The opening of the Madras Railway to Bangalore, and the extension of the North-West Line to Cuddapah, as well as the general improvement of the communications from the Salt Depôts into the interior, the check to smuggling which may be expected from the recent revision of the Salt Establishments and from the transfer of the preventive service to the Police, the pending arrangements with the Native State of Cochin

Proceedings of the Madras Government, Revenue Department, 15th December 1863.

(which will repress smuggling into Malabar) and the prosperous condition of the people fully warrant the Board in anticipating a revenue of 103 lacs in 1864-65.

11. STAMPS.—The Board estimate this branch of revenue at Rupees 21,30,757 against the Estimate of Rupees 22,00,000 for 1863-64. The receipts during the first six months of the current year have amounted to Rupees 11,64,000, and the Estimate for the whole year may safely be stated at 23½ lacs; as, owing probably to the adjournment of Courts in the first half of the year the collections then are usually exceeded by those of the second half. Under these circumstances the Estimate for 1864-65 may safely be fixed at 23 lacs.

12. The total estimated revenue of 1864-65 (Forest excepted) amounts to Rupees 621,62,700, as shown in the following table:—

Items.	Actual of 1862-63.	Estimate for 1863-64.	Estimate for 1864-65.
Land Revenue	423,31,337	403,29,590	420,00,000
Abkarry	35,04,072	35,80,620	39,62,700
Income Tax	22,31,775	18,35,400	14,00,000
Customs	19,59,339	17,93,050	22,00,000
Salt	91,15,650	86,00,000	103,00,000
Stamps	21,17,916	22,00,000	23,00,000
Total	612,60,089	583,38,660	621,62,700

The Estimate for 1864-65 passed as above shows an increase of 9 lacs above the actual collections of 1862-63, and of 38 lacs above the Estimate of 1863-64. The increase occurs under all heads except Income Tax, and the causes of it have been already explained. The [illegible] during the past six months show[illegible] that the Estimates under the heads noted in the margin for 1863-64 were too low.

Customs.
Salt.
Stamps.

Rupees 9,410.

13. The receipts from Travellers' Bungalows will be transferred to the Budget of Local Funds, agreeably to the Order of Government, dated 5th December 1862, No. 2,209, and the proceeds of the tolls levied on Cochrane's and the East Coast Canals, estimated at Rupees 37,000, will be shown under XIII Public Works as stated by the Board in paragraph 11 of their Proceedings.

14. The receipts from the sale of waste lands and from the redemption of quit-rent on Inams which will be credited to a separate head under the instructions given in the Proceedings of Government, dated 25th February 1863, No. 403, are not shown in the Budget before Government. The Collectors have probably furnished the requisite particulars direct to the Accountant General, but as it is necessary that the Board should check and Government pass the Estimate of these receipts in common with all others, they request the Board of Revenue to submit a Memorandum thereof as early as possible with full information as to the data upon which the Estimate was framed.

15. With these remarks the Budget will be transmitted to the Acting Accountant General.

(True Extract.)

Secretary to Government.

To the Board of Revenue.
" Conservator of Forests.
" Accountant General.
" Civil Paymaster.
" Financial Department.
" Department Public Works.

Exd. S. T. Augustin.

Sec'y 21st Cong 1st Sess

Fin'l. 1863 Dept't

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Offering remarks
on the Budget
Estimate of Revenue
and Receipts for
1864/65 submitted
by the Board of
Revenue —

12 January 1864 No. 23

Read and

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