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MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 43	Press / Mis.
61-62.	
Dated 18-1- 1864.	

61-62 8/9

Not to be folded or roughly handled

Proceedings of the Madras Government, Financial Department,
18th January 1864.

No. 61. Read the following Proceedings of Government in the Revenue Department, dated 24th December 1863, No. 2378.

Passing orders on the Budget Estimate of charges for the Revenue Department for 1864-65, submitted by the Board of Revenue. (Vide Proceedings Revenue Department, dated 24th December 1863, Nos. 425 & 426.)

No. 62. ORDER THEREON, 18th January 1864, No. 43.

To be recorded.

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

Exd. T. O'Connor.

Proceedings of the Madras Government, Revenue Department, 24th December 1863.

No. 425. Read the following Proceedings of the Board of Revenue :—

Submitting Budget Estimate of charges for the Revenue Department for 1864-65. } (Here enter 3rd December 1863.)

No. 426. ORDER THEREON, 24th December 1863, No. 2,378.

1. With these Proceedings the Board of Revenue submit their Budget Estimate of Charges in the Revenue Department for the official year 1864-65.

2. A. ALLOWANCES, REFUNDS AND DRAWBACKS.—Under the head "Refunds and Drawbacks" the Board's Estimate is Rupees 2,79,800, the actual expenditure of 1862-63 having been Rupees 6,17,884, and the Estimate for 1863-64 being Rupees 2,71,925. In 1862-63 extraordinary refunds had to be made to the family of the late Rajah of Tanjore, and the charges were thus largely increased. In 1864-65 refunds of unusual extent are anticipated only in two Districts, the Godavery and Trichinopoly. The reasons assigned in both cases are valid and provision must accordingly be made. The Board have rightly reduced the unexplained entry of so large a sum as Rupees 7,000 in North Arcot. The Government consider that the following reductions may also be made with safety :—

	Rs.
Ganjam	1,000
Vizagapatam	700
Cuddapah	700
Madura	500
Total...	2,900

3. The Estimate for *Land Revenue Refunds* will thus be reduced from Rupees 71,500 to Rupees 68,600.

4. The Government concur with the Board that refunds under "*Forest* and *Abkarry*" are unlikely, and at any rate will be too trivial to need separate provision.

5. Under *Income Tax* the Government consider that an uniform allowance of 500 Rupees for each District, with Rupees 3,000 (already passed) for the Presidency Town will be ample. In 1862-63 the actual expenditure was only Rupees 22,140, the limitation of the tax now to incomes above Rupees 500 and the experience gained by the Local Officers ought to make a considerable reduction in this item. The sum passed is Rupees 12,500.

6. Under the head *Customs*, the Board have entered a sum of Rupees 32,600, of which Rupees 20,000 is for the single District of Tanjore. The cases of erroneous over-collection of duty mentioned by the Collector will be settled before the close of the current year and, as the Board remark, future errors must be prevented. The Government consider Rupees 10,000 ample for Tanjore, and 500 Rupees for each of the other Districts, except Nellore, Malabar and Madras (Sea Customs). This will reduce the Estimate to Rupees 19,600, being a little above the "Actual" of 1862-63.

7. The Board will ascertain from the Collector of Tanjore the names of the Officers responsible for the errors mentioned by him. The Customs Establishment has recently been placed on an improved footing, and inefficient men must not be employed.

8. The provision under *Stamps* is manifestly excessive in some Districts, and the following reductions seem quite safe :—

Ganjam	from 3,000 to 2,000 Rupees.
Vizagapatam	from 6,000 to 4,000 ,,
Kistna	from 5,000 to 4,000 ,,
Cuddapah	from 2,000 to 1,000 ,,
South Arcot	from 7,000 to 4,000 ,,
Madura	from 5,000 to 4,000 ,,
Tinnevelly	from 6,700 to 5,000 ,,

9. The Estimate thus revised will be Rupees 76,700.

10. For *Miscellaneous* refunds a sum of Rupees 1,000 for each of the Districts, Tanjore and Madura, and of 500 for each of the rest seems quite sufficient. The total will be Rupees 10,500, or Rupees 2,700 more than was spent in 1862-63.

11. The total Estimate on account of *Refunds* will thus be Rupees 1,87,900 or Rupees 42,250 less than the sum proposed by the Board.

12. Under the head *Drawbacks* the Government consider Rupees 500 each quite sufficient for the Districts of Ganjam, Vizagapatam, Godavery and Tinnevelly, and Rupees 1,000 for Tanjore. The total Estimate will thus be Rupees 45,700.

13. The aggregate sums passed for entry in the Budget of 1864-65, under the head A. ALLOWANCES, REFUNDS AND DRAWBACKS are entered below :—

	Actual 1862-63.	Estimate 1863-64.	Estimate 1864-65.
	Rs.	Rs.	Rs.
Land Revenue including Forest and Abkarry	4,77,363	31,980	68,600
Income Tax	22,140	38,545	12,500
Customs	19,018	18,600	19,600
Stamps	59,992	99,100	76,700
Miscellaneous	7,823	19,000	10,500
Total Refund.....	5,86,336	2,07,225	1,87,900
Drawback	31,548	64,700	45,700
Grand total.....	6,17,884	2,71,925	2,33,600

14. REVENUE BOARD.—The Board's Estimate for their own Establishment is Rupees 2,45,062, which is slightly under the Estimate of the current year. The Government observe that they have provided 5,000 Rupees for "Deputation Allowance of Members on special duty" and Rupees 1,000 for "Travelling Allowance of Officers and Establishments," the aggregate being nearly double the provision of the current year. This appears to be in consequence of Mr. Clarke having been lately placed in special charge of the Salt Department and instructed to visit the maritime Districts. The Government do not, however, contemplate his absence from the Board for so lengthened a period as ten months in the year, and the Estimate of 1863-64 may therefore be reverted to. This will reduce the Board's Estimate to Rupees 2,42,562 or Rupees 2,568 less than the Estimate of the current year.

15. COLLECTORS AND OTHER COVENANTED AND MILITARY OFFICERS IN THE REVENUE DEPARTMENT.—The provision made under the heads marginally noted is according to the authorized scale, and requires no notice, except that the charge for the Special Assistant of Malabar should be transferred to Coimbatore, with reference to G. O. dated 20th October 1863, No. 1,902.

	Rs.
Collectors	5,40,200
Sub-Collectors and Principal Assistants	2,24,000
Head Assistant Collectors ...	1,67,200

16. ASSISTANT COLLECTORS.—The sum entered for Assistant Collectors is Rupees 1,59,600 against Rupees 1,13,800, the Estimate for 1863-64, and Rupees 63,383, the actual for 1862-63. The Government in their Order dated 13th February 1863, No. 331, fixed an allotment of one Assistant for each District except Ganjam and Coimbatore, which were allowed two each, and directed the entry of Rupees 1,13,800 in the Budget for 1863-64. In consequence of the large number of Civilians in College and coming out from England, the Board have deemed it proper to provide in 1864-65 for two Assistants for each District at the lower rate of pay, with the intention of meeting the higher allowances of some of the Officers by the savings which may result from vacancies.

17. A careful examination of the list shows that fully 38 Assistants must be provided for, and of these 12 will most probably be entitled to the higher salaries. Several others will probably have to be employed for portions of the year. Making allowance for promotions and

savings, the Government consider the following provision absolutely necessary :—

		Rs.
12	Assistants at 6,300	75,600
26	Do. at 4,200	1,09,200
1	Military Assistant, Ganjam	6,700
		1,91,500

or Rupees 31,900 above the Board's Estimate. The item Tent and House Rent Allowances being calculated for 38 Assistants may stand. The increase in these two items over the current year's Estimate is Rupees 94,332, and is owing to the large number of Civilians lately sent out from England.

18. DEPUTY COLLECTORS.—The Estimate, viz., Rupees 1,78,800, is the same as that passed for 1863-64, and is according to the sanctioned scale. The Board have properly struck out the provision made by the Collector of Madras for the pay of the Deputy Collector employed in the revision of Assessment. As however a Deputy Collector will certainly be required for the duty, a sum of Rupees 3,000 will be included in the item Temporary Establishment.

19. COLLECTORS' ESTABLISHMENT.—The Estimate under this head, viz., Rupees 6,35,784, exceeds the Estimate of 1863-64 amounting to Rupees 6,33,492 by the small sum of Rupees 2,292. This is owing to the revision which the Establishment is still undergoing. The Estimate includes only those alterations which have been sanctioned by Government.

20. The sum of Rupees 3,276 for Survey Establishment in the Ganjam and Kistna Districts, is transferred to the head "Extra and Temporary Establishment" to which it properly appertains. The expense of the Ganjam party will be recovered ultimately from the purchasers of waste land. The general subject of having a small Survey Party in each District will be separately considered, and until the question is settled such parties as are now employed must be regarded as special and temporary.

21. COLLECTORS' SADERWARID.—The sum of Rupees 36,476 entered under this head is less than the Estimate of Rupees 47,069 passed for 1863-64.

22. Since the Estimate for 1863-64 was passed the subject of "Saderwarid" charges in the Revenue Department has been carefully considered by the Board, and a fixed scale sanctioned by Government for each District to meet all *ordinary* requirements, the Board having power to pass further charges, not exceeding Rupees 5,000 for the whole Presidency, when unusual expenditure is caused by the preparation of the quinquennial or other special Statistical Returns. And in order that a proper check may be exercised over the expenditure, a monthly Statement showing the quantity, rate and total cost of each article consumed and purchased within the month is submitted by each Collector to the Board, who alone are in a position to exercise any audit that can be real or more than arithmetical. These precautions cannot fail to prevent lavish or wasteful expenditure, and the returns will also enable the Board to regulate the purchase of the necessary articles when and where they can be most advantageously procured. The District allotments will appear in the Estimates of each District, while the general allowance of Rupees 5,000 should properly appear as a reserve. In future Budgets this item as well as the similar one for the Talooks will be termed "country stationery, &c."

23. The amount passed in the Order of Government 23rd November 1863, No. 2,106, is Rupees 34,740, and this sum has accordingly been allowed.

24. COLLECTORATE CONTINGENCIES.—The Estimate under this head, viz., Rupees 9,500, is approved, being the same as that passed for 1863-64, the uniform provision of Rupees 500 for each District passed in the Order of Government, dated 31st December 1862, No. 2,699 (paragraph 9), having been adopted.

25. MEDICAL CHARGES.—The Estimate under this head (Rupees 31,640) was prepared by the Inspector General Medical Department, and is approved. It is slightly in excess of the Estimate (Rupees 30,833) allowed for 1863-64. The Government observe that in the general

Budget of the Medical Department, the Medical Revenue Establishment is entered by the Inspector General at Rupees 73,211. This sum includes the salaries of several Surgeons, Assistant Surgeons and Native Surgeons and other charges clearly not debitable to the Revenue Department. The Statement furnished by the Inspector General to the Board of Revenue includes the pay of the Apothecaries and Dressers attached to the Revenue Offices, their travelling allowances, &c., which items are alone debitable to the Department. It has therefore been accepted.

26. TALOOK ESTABLISHMENT.—This head includes the Establishment of Deputy Tahsildars and Sub-Magistrates as ordered in paragraph 20 of the Proceedings of Government, dated 31st December 1862, No. 2,699, but the Board have not followed the classification prescribed in paragraph 1 of G. O. 31st January 1863, No. 221. The Government request that a revised Statement in accordance with the latter Order may be submitted without delay. Meanwhile the total Estimate Rupees 13,09,801 is passed as it has been prepared according to the sanctioned scale.

27. TALOOK SADERWARID.—The Estimate under this head amounting to Rupees 92,226 includes the cost of paper, &c., to be supplied through the Tahsildars to Village Officers for the accounts. It exceeds the Estimate for 1863-64, viz., Rupees 89,021, by Rupees 3,205. This is owing to the Board having included the special allowance of 5 per cent. which was not sanctioned by Government. The proper amount now passed is Rupees 87,835 or Rupees 1,186 less than the Estimate for 1863-64.

	Rs.
Talook	55,738
Village	32,097
	87,835

28. TALOOK CONTINGENCIES.—The sum allowed for the year 1863-64 is Rupees 650* for each District or 12,350 for the entire Presidency. The Board have now provided Rupees 19,000 for 1864-65 at the rate of Rupees 1,000 for each District in order to meet the cost of office furniture to be supplied to the Tahsildars and Sub-Magistrates under the Orders of Government dated 9th October 1863, No. 1,855. The extra sum of 350 Rupees is not too much for this purpose, and the Estimate is passed.

	Rs.
Revenue	500
Magisterial	150
	* 650

Vide paragraphs 16 and 19 of the Proceedings of Government, dated 31st December 1862, No. 2,699.

29. VILLAGE ESTABLISHMENTS.—The Board's Estimate under this head amounts to Rupees 4,05,159, and is entered under the separate head B. III "Allowances to District and Village Officers" under the orders of the Government of India communicated with the Proceedings of this Government dated 16th October 1863, No 1,888. Since its preparation, the subject has been fully considered by Government who in their Order dated 12th December 1863, No. 2,266, have decided that a sum of Rupees 3,50,405 (being the actual amount of cash payments from the Treasury) would suffice for the current year, and the same sum will of course suffice for 1864-65. The nature of the various items and their necessity has been fully explained to the Government of India in the G. O. already quoted and need not be recapitulated here.

30. EXTRA AND TEMPORARY ESTABLISHMENT.—The Board's Estimate for extra and temporary Establishment amounts to Rupees 53,354, being Rupees 10,630 above the Estimate of 1863-64. At the time this Estimate was framed the Board were not in receipt of the Government Order on the similar charges of the current year, and in consequence it includes some items which have been disallowed. In Ganjam, it will be sufficient to provide Rupees 2,500, which includes the Survey Establishment referred to in paragraph 20 of this order. In Vizagapatam Government have already decided that Surveyors for waste lands need not be entertained. For the Kistna District Rupees 1,500 will suffice and will include the charge referred to in paragraph 20 (supra). In Bellary a sum of Rupees 500 will be allowed for arranging the records and 1,000 (provisionally) for the Plantation Establishment, regarding which full explanation is required.

31. The Estimate for Madras is Rupees 5,246, but this must be raised to Rupees 8,000 meet the expenses of the revision of assessment already ordered. In Madura the Government have decided that a Survey Party for waste lands is unnecessary, so that the provision of Rupees 2,176 is too large. Rupees 1,000 will be ample.

32. In South Canara Rupees 2,896 has been entered, but looking at the cost of the Survey Establishment recently sanctioned Rupees 2,500 will suffice.

33. In Malabar Rupees 25,000 will be enough, viz., Rupees 18,000, for the settlement of Pascheats and 7,000 for the preparation of Land Registers and Demarcation Sketches, &c.

34. In the other Districts an allowance of Rupees 500 will be ample.

35. The total sum now passed is Rupees 48,224 or Rupees 5,130 less than the Board's Estimate.

36. TRAVELLING CHARGES.—The provision made by the Board under this head is within the limit of Rupees 1,25,000 assigned in paragraph 23 of the Proceedings of Government, dated 31st December 1862, No. 2,699 as sufficient for six months' travelling of the Collectors and their Subordinates. The Estimate is therefore passed.

	Rs.
Officers	57,000
Establishment...	57,300
Hire of cart for conveying Records.	10,500
Total...	1,24,800

37. OFFICE RENT.—The sum passed for the Budget of 1863-64, was Rupees 6,530 against Rupees 6,410 the Estimate of 1862-63. The Estimate of Rupees 9,110 now proposed though considerably larger is counter-balanced by saving of extra Tentage which Officers are entitled to draw all through the year, when they provide accommodation for their Establishments. The Government are thus pecuniarily gainers, besides which, it is very undesirable that public Offices should be located in the private dwellings of Officers.

38. OTHER ITEMS.—The sum of Rupees 19,000 entered under this head is the same as that passed in the Budget of 1863-64 at the rate of Rupees 1,000 for each District.

39. THE TOTAL LAND REVENUE CHARGES, passed by Government are Rupees 43,13,519.

40. FOREST DEPARTMENT.—The Budget of this Department will be separately reviewed.

41. ABKARRY.—Charges under this head occur as usual in Madras only. The Estimate proposed amounts to Rupees 1,56,604 against Rupees 1,95,000 passed in the Budget for 1863-64. The Establishment is provided according to the full sanctioned scale. The decrease occurs under "Contingencies" and "Cost of Colombo Arrack" as a large stock of that Arrack is on hand.

42. INCOME TAX.—The Government have separately* passed the Estimate of the Income Tax Commissioners and further orders are unnecessary on that part of the Board's Budget which relates to the Presidency Town. The Board have transferred the cost of the Establishment recently made over to the Collector of Madras for collecting the tax within the Town to that portion of the Budget which relates to the Provinces, but this is not correct. This charge should still continue under the provision for the Presidency Town and the Budget has been altered accordingly. The total sum entered for the Madras District is Rupees 4,178, but excluding the cost (Rupees 2,988) of the collecting Establishment of the Town it will be Rupees 1,190. The total for the Provinces is Rupees 26,894 against Rupees 32,589 the Estimate passed for 1863-64. The Establishments are provided for according to the sanctioned scale, and an uniform provision is made under the other heads as shown in the margin. The latter appears to Government unnecessarily large. The expenditure of 1862-63, under these items was only 1,440 while the Board provide Rupees 6,650 for 1864-65. The provision for other items may be omitted, and there will still remain Rupees 2,850 or nearly double the Actual of 1862-63.

	Rs.
Contingent charges	100
Travelling charges	50
Other items	200

* Order dated 12th December 1863, No. 2,259.

43. CUSTOMS.—The Board's Estimate under both "Land" and "Sea Customs" amounts to Rupees 1,69,693* against Rupees 1,94,891 passed in the Budget for 1863-64. The large decrease occurs under Land Customs. The sum first entered in the Budget of the last named year was Rupees 27,564, but when Mr. Pelly's revised scale was passed it was found that Rupees 24,687† would be sufficient inclusive of the Preventive Establishment. In the present Budget the latter Establishment is altogether omitted and will appear in the Police Budget. The provision made for Collecting Establishments under both Sea and Land Customs is according to the scales recently sanctioned by the Government of India. The Board appear to have omitted altogether the Land Customs Establishments of Madura and Tinnevelly in consequence of the arrangements which are in progress for equalizing the Customs duties and Tariffs in Travancore and Cochin within the British Indian Ports. These arrangements, however, may not be carried out for some time to come and provision must therefore be made for the existing sanctioned Estimate. The addition is Rupees 252 for Madura and Rupees 2,988 for Tinnevelly. The Saderwared is according to the standard recently sanctioned but under Sea Customs the additional 10 per cent. which the Government have disallowed has not been struck out. The total Sea Customs Saderwared should be Rupees 2,064 instead of Rupees 2,265. In regard to the temporary Preventive Establishment under Sea Customs, at a cost of Rupees 750, in Malabar, explanation was called for in paragraph 4 of the Order of Government, dated 2nd December 1863, No. 2,185, and the item is therefore provisionally passed. The other items do not require special notice. Under "Contingencies" and "Other items" the Board have made uniform provision as shown in the margin, Madras being, however, allowed Rupees 1,500 for Contingencies.

* Sea Customs .. .. Rs. 1,61,183
Land Customs 8,510
1,69,693

† Collecting Establishment .. Rs. 10,764
Preventive do. ... 13,923
Total..... 24,687

	Sea Customs.	Land Customs.	
Contingencies.	100	50	For each District.
Other items.	200	100	For each District.

44. SALT.—The Board's Estimate under this head amounts to Rupees 16,45,128 exclusive of Preventive Guards, which according to recent instructions is to be entered in the Police Budget. Compared with the Estimate (Rupees 14,54,266) of 1863-64 as finally revised in the letter to the Government of India dated 29th April 1863, No. 743, there is an increase of Rupees 1,90,862.

45. The Establishment is provided for according to the scale recently sanctioned.

46. The sum entered for Saderwarid should be Rupees 6,540 instead of Rupees 7,191, which includes the additional 10 per cent. disallowed by Government.

47. The Estimate for the provision, &c., of Salt amounts to Rupees 13,98,014, against Rupees 11,97,704 in 1863-64. The first item is Rupees 10,69,856 for the payment of Salt manufactured and imported. It is desirable that the stock of Salt should be kept as low as is consistent with safety, for large stocks involve loss of interest on the capital sunk, as well as loss by wastage and deterioration. But safety is the first consideration. The manufacturing season is of limited duration; the produce is uncertain and cannot be suddenly extended. No better proof of this can be afforded than the fact that although Collectors have been repeatedly urged to complete their stocks to two years' consumption, the Salt estimated to be in store on the 30th April 1864 will not exceed 14 months' consumption. In past years also the Government have lost revenue and the people suffered great hardship by the want of Salt in particular Districts. Taking the entire consumption of a year at 80,00,000 Indian Maunds the annual interest of the capital sunk will be but £5,000 per annum a very moderate sum to pay as insurance against the evils of deficient supply, even were it not invested in an article which brings in so enormous a profit.

48. In revising and to a certain degree reducing the Board's Estimate the Government have not overlooked these considerations, but on the contrary have allowed what they believe will suffice to provide a proper supply.

49. The quantity of Salt estimated to be in Store on the 30th April next amounts 83,70,000 Indian Maunds. Looking at the stock in each District, the Government consider that an aggregate sum of Rupees 9,75,000 will suffice, distributed as shown below :—

	Government Estimate.	Board's Estimate.
	Rs.	Rs.
Ganjam	55,000	65,300
Vizagapatam	15,000	18,750
Godavery	15,000	15,625
Kistna	40,000	42,625
Nellore	50,000	60,000
Madras	1,94,000	1,94,520
South Arcot	75,000	90,000
Tanjore	86,000	86,250
Madura	30,000	38,906
Tinnevelly	25,000	52,870
South Canara	2,00,000	2,15,010
Malabar	1,90,000	1,90,000
	9,75,000	10,69,856

50. The District in which the largest reduction is made is Tinnevelly, and the stock there is so large that it is useless to go on adding to it. The present stock was laid in, with a view to meet deficiencies on the Western Coast, but this contingency need not be guarded against to such an extent. The Government fully recognize the importance of increasing the stock at Madras and in Tanjore, Malabar and Canara. In the two last Districts it is both expensive and unsafe to rely on the produce of a single season. As a general rule the Government consider 18 months' supply at minor depôts with a larger stock in well selected central stations, to be the most expedient course, but this cannot be done at once. The Board will direct their attention to the equalization of stocks and the introduction of the above plan as circumstances permit.

	Board's Estimate.	Government Estimate.	Reduction.
	Rs.	Rs.	Rs.
Ganjam	9,200	9,200	...
Vizagapatam	2,100	2,100	...
Godavery	2,000	2,000	...
Kistna	6883	6,240	643
Nellore	3,000	3,000	...
Madras	1,24,000	1,10,000	14,000
South Arcot	7,500	7,500	...
Tanjore	8,000	8,000	...
Madura	1,900	1,900	...
Tinnevelly	1,000	1,000	...
South Canara	3,060	3,060	...
Malabar	18,000	10,000	8,000
Total...	1,86,643	1,64,000	22,643

51. The item "conveying and storing Salt" is unnecessarily large in some Districts and may be reduced to Rupees 1,64,000, as shown in the margin,* being Rupees 22,643 less than the Estimate.

52. The item "cost of export" may also be reduced from Rupees 48,170 to Rupees 41,500. The Collector of Tinnevelly, it is observed, has entered the large sum of Rupees 15,000 for this purpose.

	Board's Estimate.	Government Estimate.	Reduction.
	Rs.	Rs.	Rs.
Madras	14,670	14,000	670
South Arcot	5,000	4,000	1,000
Tinnevelly	15,000	10,000	5,000
Estimates of other Districts as prepared by the Board	13,500	13,500	
Total ...	48,170	41,500	6,670

53. Under the head "other items" the Board have entered Rupees 36,000 or Rupees 3,000 for each District. This appears to the Government much in excess of what can be required, and they consider Rupees 12,000 ample.

54. The other entries call for no remarks. The total Estimate passed is thus Rupees 14,96,308, or Rupees 1,48,820 less than the Board's Estimate.

55. STAMPS.—The Estimate under this head amounts to Rupees 1,64,784 inclusive of the cost (Rupees 50,000) of water-marked paper, against Rupees 1,68,000 the Estimate passed for 1863-64. The charges under this head vary in proportion to the receipts, and as the Board's Estimate of the latter has been raised from 21,30,700 to 23 lacs no reduction is practicable. Under the Orders of the Government of India, dated 18th September 1863, No. 4,551, the item Rupees 50,000 for water marked paper will appear as a foot note to the Estimate.

	Rs.
Presidency	84,444
Provinces	80,340
Total ...	1,64,784

56. B IV. MISCELLANEOUS.—The Estimate under this head amounts to Rupees 2,31,018, against Rupees 2,59,000 passed in the Budget for 1863-64.

57. The charge for conveyance of Treasure in 1862-63 amounted to Rupees 9,934, and Rupees 10,0 00 will be sufficient for 1864-65.

58. The item Agricultural Exhibitions should be raised to Rupees 10,000, viz. :—

	Rs.
Nellore	4,000
Bellary	3,000
Salem	3,000

59. The petty sums entered for Godavery and Cuddapah being omitted.

60. The item "District Post" is in accordance with the altered and sanctioned scale of Establishment and is passed.

	Rs.
Pearl Oyster Nursery	10,000
Chank Fishery	12,618

61. There are two new items in this part of the Budget. The first provides for the experimental formation of a Pearl Oyster Nursery at Tuticorin. This has been approved by the Home Government. The large revenue realized from this source in Ceylon and in occasional years in this Presidency renders it very desirable that the experiment of breeding the oyster in artificial nurseries and thence stocking the banks should be tried.

62. The second item, Chank Fishery, is rendered necessary by the fishery being kept under the management of Government Officers in consequence of the absence of bidders for the Farm and the License system not having worked well.

63. The provision made for Travellers' Bungalows and Chuttrums and for lighting bridges should be transferred to the Local Fund Budget.

64. The estimated charges on account of Cochrane's Canal Establishment, amounting to Rupees 2,952 or Rupees 3,000 in round numbers, is passed for entry under "E. Works of Internal Improvement and Public Convenience."

65. Orders will be passed in the Judicial Department on that portion of the present Budget which relates to Town Moonsiffs and Cantonment Joint Magistrates.

66. TREASURY AND PREVENTIVE GUARDS.—The charge for preventive and other guards amounts to Rupees 2,77,961, according to the Statement furnished to the Board by the Inspector General, and is passed. It will be included in the Police Budget F. IV under the orders of the Supreme Government, dated 31st July 1863, No. 3,486.

67. The total Estimate now passed is Rupees 70,83,620, or Rupees 29,900 less than that of the current year as shown below.

Items.	Budget of 1863-64.	Budget of 1864-65 as now passed.	Increase.	Decrease.
	Rs.	Rs.	Rs.	Rs.
Allowances, Refunds and Drawbacks.				
Refunds	2,07,225	1,87,900	.....	19,325
Drawbacks	64,700	45,700	.....	19,000
Total...	2,71,925	2,33,600	.....	38,325
Land Revenue.				
Board of Revenue	2,45,130	2,42,562	.....	2,568
Collectors and other Covenanted Officers	11,19,986	12,12,318	92,332	.....
Deputy Collectors	1,78,800	1,78,800	.....	.....
Collectors' Establishments ...	6,33,492	6,35,784	2,292	.....
Do. Saderwarid	47,069	34,740	.....	12,329
Do. Contingencies	9,500	9,500	.....	.....
Medical charges...	30,833	31,640	807	.....
Talook Establishments	12,94,284	13,09,801	15,517	.....
Do. Saderwarid	89,021	87,835	.....	1,186
Do. Contingencies	12,350	19,000	6,650	.....
Village Establishments	3,50,405	3,50,405	.....	.....
Extra and Temporary Establishments.	62,224	48,224	.....	14,000
Travelling Charges	1,25,000	1,24,800	.....	200
Other items	25,530	28,110	2,580	.....
Total...	42,23,624	43,13,519	89,895	.....
Abkarry	1,95,000	1,56,604	....	38,396
Income Tax	55,000	38,394	....	16,606
Customs	1,94,891	1,72,732	....	22,159
Salt	14,54,266	14,96,308	42,042	.....
Stamps	1,68,000	1,64,784	.....	3,216
Miscellaneous	2,59,000	2,29,718	.....	29,282
Police Guards	2,91,821	2,77,961	.....	13,860
Grand total...	71,13,527	70,83,620	.....	29,907

68. The Budget Estimates now passed have not in all respects been prepared in strict accordance with the instructions conveyed in the Order of the Supreme Government, dated 18th September 1863, No. 4,551. This is owing to the Order not having been received in sufficient time to admit of the necessary data being collected and the requisite alterations made.

69. The Government resolve to bring under the notice of the Supreme Government two points in that Order, which seem to them to merit re-consideration.

70. In paragraphs 9 to 12 it is laid down that the Budget Estimate is to "contain in respect of Salaries, Establishments, and Allowances of a fixed character, provision only for charges fully and formally sanctioned in the Financial Department of the Government of India," and the local Governments are informed that they "should obtain the necessary sanction to all administrative changes or reforms involving alterations in the scale of expenditure, sometime before the preparation of the Budget Estimate." In the same Order it is directed that the Budget Estimate

should be forwarded so as to reach the Supreme Government by the 31st January preceding the official year to which it relates.

71. This Order if strictly enforced cannot fail in the opinion of Government to be productive of evil consequences. The Budgets of the local Officers, from whom such changes usually emanate, are of necessity closed by November, to admit of their being checked and passed by the controlling Departments and Government in time for entry in the Budget. Any alterations of Establishment likely to be required must, therefore, be foreseen and provided for at least six months before the year in which they are expected to occur, if the sanction of this Government is alone necessary for their entry in the Budget. Now, however that the previous sanction of the Supreme Government is also necessary several additional months must be allowed. The revised Land Customs Estimate remained under the consideration of the Supreme Government for six months, the Salt Estimate for six months, the District Postal Estimate was forwarded in December 1862 and has not since been heard of. These however were large subjects requiring time and consideration, but certainly two months is a reasonable period to allow for ordinary matters. Hence, therefore, any change of Establishment to be entered in the Budget must be foreseen at least eight months before the commencement of each year, a manifestly unreasonable requirement. Of course if the Government of India are prepared to sanction all such changes as may be proved necessary and desirable without reference to the Budget provision, the Government have no right to complain, but this assurance has not yet been conveyed, and under any circumstances they would much regret the change of practice, because it devolves a departure from the principle of the Budget system. A Budget, as the Government understand it, is simply an estimate framed with the utmost economy, foresight and care of the probable charges of the year to which it relates; it ought therefore to include every sum likely to be expended. To omit from it charges likely to be incurred in the estimation of the local Government is to render it, so far, incomplete, and to compel the Supreme Government to shape their financial measures on incorrect data or to keep a reserve idle to meet contingencies, sure to be incurred and foreseen, though not by the date arbitrarily fixed. Moreover, the local Officers will no longer feel constrained once in every year carefully to review the requirements of their several Departments and the great advantages which the Budget system has indirectly produced, by enforcing this annual, prospective and retrospective, review will be lost. The Government would strongly recommend that such fresh charges as the local Government deem necessary, but have not been able to submit in time for formal sanction, should, *at least*, be entered separately under a distinct head, so that the Budget may, as it ought, contain full provision for every proper requirement which can be foreseen, and the Supreme Government may not be liable to unexpected demands after they have completed their financial arrangements for the year. If the new rule of admitting only sanctioned charges and adopting averages be followed, it would seem to be superfluous for the Government to take the trouble they now do in connection with the Budgets, which can as well be prepared by an accountant acquainted with the rules of simple arithmetic. The Budget system has been worked out in this Presidency, is now well understood, and has produced good results, the Government would therefore greatly regret such a change as will reduce it to the level of a sum in arithmetic.

72. The other point is the grant of a reserve. In the Budget Estimate of the current, year the Government entered 25,000 Rupees under this head, in order that a small sum might be at their ready disposal for charges not foreseen at all when the Budget was prepared. The Government of India, however, struck out this provision and have since prohibited reserves altogether. The Government would however submit that a specific provision of this kind is no more than ought to be allowed to the Government of a Presidency producing a revenue of 6¼ millions, with a population of 25 millions and an area of 1,30,000 Square Miles. Savings in budgetted items may very properly be allowed to meet excess in items entered in the Budget, but that the Government of a large Presidency should not have a Rupee at its command unless it can be saved from specific allotments or is passed by the Supreme Government

is altogether anomalous. The Government request that the subject may be re-considered and the small provision of Rupees 25,000 sanctioned for 1864-65. This sum bears the proportion of ·004 to the revenue and ·04 to the charges of the Departments for which it is intended, and will be used with proper economy. Its grant will enable the Government to continue their practice of rigidly reducing the contingent charges of Subordinate Offices to a minimum.

(True Extract.)

Secretary to Government.

To the Acting Accountant General.
" Financial Department.
" Board of Revenue.
" Acting Civil Paymaster.
" Public Department.
" Judicial Department.

Exd. S. T. Augustin.

Pro. 23d Decr 63 - 105-107.

Encl 1862 departe

Letter 26 Jany 64.

626 & 626

Proceedings of Govt. in the Rev: departe for 2378

by 24th Decr 63
by 9th Jany 64
4 Copies

No 21

Passing orders on the Budget Estimate of charges for the Revenue departe for 1864/65 submitted by the Board of Revenue

18th January 1864 No 43.

Recorded

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