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(3) Initials of the Referencer _____

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 191	Press / Mis.
Bdg	
Dated 15 5	18 11 .

16 415

Not to be folded or roughly handled

No. 191.

FROM

W. HUDLESTON, ESQ.,
Acting Chief Secretary to the Government of Fort Saint George,

TO

THE SECRETARY TO THE GOVERNMENT OF INDIA,
FINANCIAL DEPARTMENT.

SIR,

Referring to paragraph 4 of your letter, No. 3964, dated 20th December 1870, I am directed to state that, with the approval of His Excellency the Governor-General in Council, this Government propose to instruct the Accountant-General accordingly, that the sum of Rupees 1,30,000 is to be credited to "Provincial Service" on account of the saving to that amount effected in the Imperial expenditure under "Miscellaneous," by the abolition of grants-in-aid to Municipalities and the assumption by Provincial Funds of the whole charge for Municipalities (towards which the Municipalities formerly contributed a larger sum than they received as grants-in-aid for general purposes) whereby equivalent additional charges are thrown on Local Funds under other heads.

2. I am to request that the approval, by the Government of India, of the proposed order may be communicated to this Government at early date, as the Provincial Budget is under preparation.

I have the honour to be,
Sir,
Your most obedient servant,

Acting Chief Secretary.

FORT SAINT GEORGE,
15*th May* 1871.

Exd. J. Wright.

1871.

FINANCIAL DEPARTMENT.

From

The Ag. Chief Secretary to Government,

Fort Saint George,

To

The Secretary to the Govt. of India,

Financial Department.

Dated 15th May 1871.

Recd.

Soliciting approval to the proposed transfer to "Provincial Service" of the sum of Rupees 1,30,000 on account of the saving to that amount effected in the Imperial expenditure under "Miscellaneous."

(*Confidential.*)

No. 3964.

GOVERNMENT OF INDIA.

FINANCIAL DEPARTMENT.

Accounts.

To

THE CHIEF SECRETARY TO THE GOVERNMENT OF MADRAS.

FORT WILLIAM, *the 20th December* 1870.

SIR,

The Resolution No. 3334, dated 14th December, which has been adopted by the Governor General in Council to enlarge the powers and responsibilities of Local Governments in some Departments of the Administration, has been separately communicated to you.

2. The relief for the imperial revenues, which is now sought from Local Governments, is so very much less than what was originally suggested that the Government of India thinks it unnecessary to reply in detail to the communications received from you in reference to my Confidential Circular No. 2934, dated 20th August.

3. With the concurrence of the Government of Madras, it is proposed to bring on record only the first of these communications, No. 398, dated 27th September 1870, in reverting to which, I am desired to offer the warm acknowledgments of the Supreme Government of the cordiality with which the Government of Madras accepted the proposals made to it, and of the sacrifices to which it was prepared, if necessary, to submit.

4. The Government of Madras in that letter intimated its readiness to provide from provincial resources for no less than £109,000* of expenditure hitherto charged to imperial revenues, and its intention to save £5,000 in "Civil Buildings." It further expected that the receipts from Jails would improve by £12,700. If other Governments had been able to do as much, and their offers had been accepted, the imperial revenues would have been relieved altogether, in the Madras Presidency alone, to the extent of £126,700. But it has not been found possible to obtain subsidies in any thing like the same measure from other Presidencies and Provinces, and the Governor General in Council could not ask the Government of Madras to sacrifice more than other Governments. It is hoped, however, that the Government of Madras will experience no great difficulty in providing for the comparatively small sum of £55,428, which is all that is now asked from them, without taking credit for any reductions that may be found practicable in Departments of the Administration not included among the new "Provincial Services," except such as are effected by taking upon local funds charges hitherto borne by the imperial revenue, *e. g.*, the abolition of grants-in-aid to municipalities, which will cause a saving of £13,000 a year of the miscellaneous grant.

	£
* Roads	56,000
Education	13,000
Medical	5,000
Municipalities	13,000
Public Works Department	20,000
Miscellaneous	2,000
	109,000

5. It is hoped that the Government of Madras will continue to consider the possibility of effecting the further savings which they proposed to effect in the Departments of "Land Revenue," "Salt," and "Law and Justice," and His Excellency in Council will await with much interest a further communication from them on the subject. It is very important that all possible economy should be enforced in such Departments. The further reduction of imperial taxation is much to be desired, and this can only be effected by a proportionate diminution of expenditure.

6. Referring to your 11th paragraph, the Government of Madras will notice that the "third condition" (of the confidential letter) to which they objected has been omitted.

7. It was inserted originally with reference to the liability for superannuation allowances that any increase in the charge for salaries must entail upon the Imperial Government; some other means must be devised of dealing equitably with that difficulty. The Supreme Government has not thought it necessary to increase the restrictions of the first condition as suggested by the Government of Madras, because it desires to leave the responsibility of Local Governments as complete as possible.

I have the honor to be,

SIR,

Your most obedient Servant,

R. B. CHAPMAN,

Offg. Secretary to the Government of India.

GOVERNMENT OF INDIA.

FINANCIAL DEPARTMENT.

Accounts.

To

No. 3964.

Dated, Fort William, the 20th December 1870.

Received 4th Jany. 71

S.S. 1901

This and other
circulars separately
for disposal by the off-
ice in charge
just got.
3 S Copies.

No. 204

Regarding the extent to which the
Madras Govt. is expected to provide
for the relief of the Imperial Treasury.

O. S. G. P.—No. 5696 C. F.—21-12-70.—30.