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MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 83	Press / Mis.
2627.	
Dated 27-2-	18 11.

26-27 13/14

Not to be folded or roughly handled

No. 83.

FROM

THE HON. R. S. ELLIS, C.B.,
Chief Secretary to the Government of Fort Saint George,

TO

THE SECRETARY TO THE GOVERNMENT OF INDIA,
FINANCIAL DEPARTMENT.

SIR,

With reference to Mr. Assistant Secretary Hollingbery's letter, dated the 3rd instant, No. 1871, and the Memoranda which accompanied it, I am directed to explain that the increase of £30,000 shown in Receipts "Excise" over the estimate for the current year is to be ascribed to the Accountant-General having calculated the Regular Estimate at £600,000, in consequence of an increased collection of Rupees $2\frac{3}{4}$ lakhs during the first eight months of 1870-71, as compared with the receipts of the corresponding period of the previous year. In the opinion of this Government, the Accountant-General's estimate is high, as the actuals for ten months of 1870-71 amount only to £488,050

and the actuals for February and March 1870 being taken as the estimate for February and March 1871 at ... ... ,, 100,690

the gross receipts for 1870-71 are not likely to exceed ,, 588,740

or £11,260 less than the Accountant-General's Regular Estimate. Making due allowance for failures of contracts, the estimate for 1871-72 has been fixed at £580,000, and there is no reason for assuming that a larger sum will be realized.

2. With reference to the estimate of expenditure, under "Assessed Taxes", of £4,700 for 1871-72, I am to point out that the reduction in the *rate* of tax, without the area of its incidence being also reduced, will not reduce the cost of the establishments necessary for the collection of the taxes.

3. As regards £1,200 entered on account of "Petty Contingencies and Repairs" under grant 8 "Customs," I am to observe that, in the estimate, as passed by this Government, £1,000 was disallowed from the charge in question, and that the gross charge under "Customs" for 1871-72 has been fixed at £17,140, against £17,390, the grant for 1870-71.

4. The cause of the increase in the total estimated charge for 1871-72 is explained in my letter, dated the 7th instant, No. 60, a copy of which is enclosed.

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

FORT SAINT GEORGE,
27*th February* 1871.

Chief Secretary.

Exd. J. H. Burns.

1871.

FINANCIAL DEPARTMENT.

From

The Chief Secretary to Government,

Fort Saint George,

To

The Secretary to the Govt. of India,

Financial Department.

Dated 27th Feb. 1871.

Recd.

No. 83.

Enclosure.

Furnishing the explanation called for respecting certain heads of the Madras Estimates for 1870-71, 1871-72.

2

MADRAS ESTIMATES.

Receipts.

I.—Land Revenue.—

1870-71.

Our revised estimate was for £4,340,568, being nearly £100,000 more than the original estimate, and more than £34,000 in excess of the estimate authorised by the Board, but £55,600 less than the local Government "confidently expected." The local Government *now* estimates only £4,355,000, but the Accountant General, an Officer upon whom we place great reliance, judging from the result of eight months, sets down £4,400,000 as the likely figure. £2,184,158, or nearly half the year's revenue as now estimated, remains to be collected, and the high estimate of the Accountant General will need careful watching to the latest moment; but meanwhile we may accept it.

1871-72.

The estimate is for £4,355,000, or £45,000 less than this year, the receipts of which are believed to be abnormally large, the season being exceedingly prosperous. We may accept; but ask for careful re-consideration whether the full £4,400,000 may not be taken for next year, if it stands for this year.

II. Tributes.—No alteration in the year's estimate, and the same figure is taken for next year. The amount is fixed.

III. Forest.—The present estimate is for £45,000. The Local Government and Accountant General now advise its being raised to £48,500, and that the amount taken for next year should be £49,500. These estimates may be taken, subject to any revision that the Department of Public Works may hereafter suggest; subject also to careful enquiry as to whence £26,823 is to come in the last four months; the first eight months having produced only £21,677.

IV. Excise.—

	£
Original estimate (1870-71)...	570,000
Revised estimate	605,000

The Accountant General now proposes £600,000, which is safer. It leaves still £2,476 to be made in the last four months

in excess of last year. But another month's figures may make it possible to take more.

For 1871-72, the Board and the Government authorise no more than £580,000 with reference to the *leases* now current. We may accept, but ask for explanation of the increase of £30,000 over estimate this year, notwithstanding the leases, and whether there is any sufficient reason for assuming that the same excess will not recur next year.

V. Assessed Taxes.—

	£
Original estimate (1870-71)...	260,500
Revised estimate	245,000

being a good deal in excess of the amount authorised by the Board and the Government. The Board now take £250,000, of which only £117,177 has been realised in the eight months. The Accountant General is evidently doubtful of the soundness of the estimate, which we may take for the present entirely on the responsibility of the Madras authorities. The Income Tax at 1½ per cent. credited from the Department of Public Works and the Army last year was £12,024. At 3⅛ per cent. we may expect to obtain from these two Departments this year £25,050. This leaves £117,859 to recover from the Public and the Civil Departments during the last four months of the year. The estimate appears dangerously high, and the careful attention of the Accountant General may be invited to it. It may meanwhile be allowed to stand.

VI. Customs—

	£
Original Estimate 1870-71 ...	272,200
Revised „ „ ...	310,000

The Accountant General proposes only £285,000 for this year, and £277,500 for next year. An estimate this year of £300,000 provides for a falling off of £2,219 during the last four months, compared with last year. For the present, at any rate, £300,000 may be taken for 1870-71. This is certainly higher than any previous year; but it seems likely to be realised. Nor does any reason appear why less than the same sum £300,000 should be taken for 1871-72. But the Accountant General should keep his eye upon this estimate particularly to the last.

1-11 @ 2.

N. B.—This is doubtful, very; 18 5 would give only £1,303,562.

VII. Salt—

	£
Original Estimate 1870-71 ...	1,300,000
Revised „ „ ...	1,325,000

Accountant General would keep the original estimate, calculating that there will be no more revenue in the last four months this year than last.

The increase in Madras last year, in the same period, over the year before, was £76,708 (from £433,807 to £510,515), or only 17·68 per cent., the increase of duty having been 18·5 per cent. The increase in the first half of this year over last year was (from £474,575 to £583,398) £108,823, or 22·93 per cent. If this percentage be applied to the last four months of 1868-69, during which the duty was undisturbed, we shall get for the last four months of the current year a revenue of £533,279, instead of £510,019, as estimated by the Accountant General,—being £23,260 in excess. It appears more than probable that the revenue during the last four months of 1869-70 was abnormally depressed in consequence of the new duty, and that if we base our estimate this year upon the results of that period of last year, our figures will be too low. We may for the present, it appears to me, safely take £20,000 in excess of the last four months of last year, and set our regular estimate at £1,320,000.

1871-72.

The local authorities proposed £1,330,000, the increase being founded on the extension of the N. W. Railway Line. The season is prosperous, and we may, I think, take the proposed £30,000 in addition to our amended estimate of £1,320,000, making the estimate £1,350,000.

IX—Stamps, and XIII,—Law and Justice.—These two heads must, for reasons repeatedly given, be considered together this year. The original estimate (1870-71) was for £499,194.

The revised estimate is for £484,750.

Supposing the receipts for the last four months to be the same as last year, the income will be £483,953. The Accountant General estimates only £450,200. But he has omitted "*Registration*," under the misapprehension that the resolution to make a lump assignment for Provincial Services applies to the current year. A telegram has been sent to disabuse him and call for supplementary estimates.

Our revised estimate may stand, being re-distributed as follows:—

Stamps...	...	£222,000
Law and Justice ...	...	„ 262,750

in the proportion of the receipts to date.

For 1871-72 we may take the figures of the Accountant General, who shows £36,897 more under Process Service Fees in 1871-72 than for the current year. I do not understand this, but we must accept it, pending explanation. I supposed that these fees were being credited this year.

X. *Mint.*—No explanation from Accountant General, who takes the original estimate of £1,000, which we did not revise. It may stand; but it does not look safe.

XIV. *Police.*—No regular estimate made by the Accountant General under this head or under the others affected by the Provincial Service Resolution. We must await his supplementary estimate, leaving the original estimate alone meanwhile.

XV. *Marine*—

		£
Original Estimate (1870-71)	...	2,500
Revised ditto „	...	5,000

which the Accountant General advises us to retain. The increase is due to the sale of the stores and materials belonging to the Paumben Steam Ferry.

1871-72.

The Superintendent of Marine proposes £2,200, but the Accountant General advises £2,500, the same as this year. We may take it.

XVII. *Interest*—

		£
Original estimate, 1870-71, not revised...	...	14,100

raised by Accountant General to £15,800 on account of increases expected in interest on arrears of revenue.

Estimate for 1871-72 £16,640 on account of an increase in the investment of Savings Bank deposits.

XVIII. *Miscellaneous*—

		£
The original estimate, 1870-71 (not revised) is for	...	202,560

The Accountant General now estimates £221,720, to which must be added £4,460 on account of Provincial Service Receipts omitted, making £226,180 in all.

The principal items of increase are—

Gain on transactions with London		£ 2,500
Money Orders	... ...	„ 570
Examination Fees	... ...	„ 400
Process Service Fund balance (*a*)	...	„ 6,800
Military Fund subscriptions, &c.		„ 3,510
Medical Fund subscriptions not estimated	... ...	„ 10,000
Miscellaneous	... ...	„ 5,100

We may take the Accountant General's estimate, and so for the estimate of next year £250,020. But the item *(a)* needs explanation. We thought all these balances had been credited long ago, and it is not explained why they are still outstanding.

The following is the result of the above suggestions:—

	Regular Estimate, 1870-71.		*Original Estimate*, 1871-72.	
	Local.	Financial Department.		
I.—*Land*	4,400,000	4,400,000	4,355,000	4,355,000
II.—*Tributes*	344,600	344,600	344,600	344,600
III.—*Forest*	48,500	48,500	49,500	49,500
IV.—*Excise*	600,000	600,000	580,000	580,000
V.—*Assessed Taxes*	250,000	250,000	250,000	250,000
VI.—*Customs*	285,000	300,000	277,500	300,000
VII.—*Salt*	1,300,000	1,320,000	1,330,000	1,350,000
IX.—*Stamps*	180,000	220,000	185,000	225,000
X.—*Mint*	1,000	1,000	1,000	1,000
XIII.—*Law and Justice*	273,470	262,750	315,367	275,367
XIV.—*Police*	...	32,350	...	...
XV.—*Marine*	5,000	5,000	2,500	2,500
XVI.—*Education*...	...	6,900	...	...
XVII.—*Interest*	15,800	15,800	16,640	16,640
XVIII.—*Miscellaneous*	221,720	225,180	250,020	250,020
TOTAL ...	7,925,090	8,033,080	7,957,127	7,999,627

The figures may be thus summarised:—

	£
Original Estimate 1870-71 ...	7,782,660
Revised	7,934,938
Present Regular	8,033,080
Increase of present Regular over Original	250,420
Increase of present Regular over Revised	98,142

The chief increases over the original estimate are:—

	£
Land Revenue	153,800
Excise	30,000
Customs	27,800
Salt	20,000
Miscellaneous	23,520

Present Estimate 1871-72.
Less than Regular 1870-71:—

	£
Accountant General ...	75,953
Financial Department ...	33,453

Which is all in the *Land Revenue;* or in *Provincial Services*, the receipts of which will not be imperial in 1871-72.

EXPENDITURE.

2.—*Interest, other Accounts.*—The estimate for 1870-71 is reduced to £19,486. For 1871-72, £95,778 is asked for, an increase of more than £18,000 being wanted for "large arrears of interest on the donations from Government on account of deficiencies in the assets of the Civil Service Annuity Fund." This is not very intelligible: if the money is due it should be paid this year, not thrown into next. Meanwhile, we may leave the estimate standing.

3.—*Refunds, &c.*—The Accountant General proposes no change in the original estimate. But, unless the refunds of the last four months are to be much in excess of last year, £27,000 will be enough. We may take that figure instead of £31,000. Only £23,900 is proposed for next year, but this can hardly be safe. We may take, as for the current year, £27,000.

4.—*Land Revenue.*—The Accountant General would raise the Regular Estimate to £440,146. His estimate is in very great detail. The chief items added are Postage, £12,900, and Revenue Process Services, £2,500. It is to be observed, however, that in eight months the expenditure has been on the whole £1,171 less than last year, and that if the expenditure of the last four months is not more than last year, the revised estimate (£420,000) will suffice. It need not meanwhile be raised.

If the additional charge of £12,900 is to be added in March, we shall have to raise the estimate. But it is understood that there has been some mistake about this, and that the large postal increases of which this is a specimen are *not* all to be charged.

The estimate for next year need not, on the same ground, be raised above £425,000 at the utmost.

5.—*Forest.*—The Accountant General proposes no reduction in the original estimate, which, however, we had revised down by £492. According to the figures for eight months, however, the estimate may apparently be reduced to £30,000. For next year a grant of £38,700 is proposed, the excess being chiefly due to the proposed extension of operations along the Madras Railway. It is more than covered by increase in the expected receipts, and may be passed, though it will probably be too much.

6.—*Excise.*—Accountant General estimates only, as originally, £27,600, although £24,139 has been actually spent. In our revised estimate we set down £35,000. For next year £30,000 is proposed, it being stated that a sum of apparently about £2,500 cannot be paid this year for want of money in the grant. This is wrong; money due must be paid, grant or no grant. The Accountant General may be directed at once to pay the amounts *due* to the Madras Contractor or to any one else, and the estimate of the current year may be fixed at £31,000, that for next year being reduced to £27,500. These figures will have to be precisely revised by the Accountant General after carrying out these instructions.

7.—*Assessed Taxes.*—Revised £3,500. The Accountant General proposes £3,430, which he has worked out according to actual orders recently passed for improving the establishments. This may be passed, but the increased grant of £4,700 may not be necessary if the tax is much reduced. The Local Government should report upon this at once.

8.—*Customs*—

	£
Original estimate, 1870-71 ...	17,390
Revised „ ...	17,000
Accountant General proposes ...	17,209

We may hold to the revised, which, judging from eight months' actuals, is full.

The local authorities ask provisionally for £18,140 for 1871-72. We may grant meanwhile £18,000, subject to further promised explanation of an amount of £1,200 entered on account of petty contingencies and repairs (Sea Customs.)

9.—*Salt*—

	£
Original grant (not revised) for 1870-71	150,000
Accountant General proposes to take	149,690

But according to the actuals for eight months £140,000 will be ample, and indeed may probably be further reduced. For 1871-72, £170,000 is asked for; but judging by the results of past years and the promise of the present, £150,000 will be enough.

11.—*Stamps*—

	£
Original, 1870-71	8,980
Revised	11,500
Accountant General... ...	10,569

The main increase is in discount on sales. We may take Accountant General's estimate, and, as suggested by him, £9,900 for next year.

12.—*Mint*—

	£
Original, 1870-71 (not revised)	4,114
Accountant General ...	3,700

which may be accepted, as also £3,200 for next year.

15.—*Administration*—

	£
Original (1870-71), not revised	134,976
Accountant General suggests	131,705

which may be accepted, with the reservation that it presumes no increase over last year in the remainder of the year, though in the first eight months, the increase has been considerable. For next year, the grant asked for, *viz.*, £131,876, may be given.

16.—*Minor Departments*—

	£
Original (not revised), 1870-71	15,633
Accountant General says ...	14,868

which may be reduced to £14,000 with reference to actuals of eight months.

For next year £16,054, say £16,000 is asked for chiefly to provide for a manufactory of amorphous quinine. Apparently £15,500 will be ample, judging from the present year.

17.—*Law and Justice*—

	£
Original, 1870-71	444,321
Revised	437,000
Accountant General gives (inclusive of £115,000 for Jails and Registration, which he has not revised)	456,075

Our revised may stand. It is indeed probably *full*.

For next year £392,620 is asked, exclusive of Jails and Registration, being £70,605 in excess of the Regular Estimate of this year.

The increases asked for are £2,800, High Court Judges, notwithstanding the reduction of the Chief Justice's pay, on Sir A. Bittlestone's retirement, by £500. The charges this year are said to be below the ordinary, owing to absence on leave.

High Court, Original Bench, £400, same cause. The Registrar has been away this year.

Civil and Sessions Courts—£2,300, same cause.—£40,000, Process Service Establishment, corres ponding with the increase of £36,897 taken as fees on the receipt side. £5,160, Small Cause Court Process Services.

We certainly need not grant for process services more than the estimated revenue from Process Fees, and may strike out £8,263 as over-estimated.

Apart from this, the Regular Estimate appears to be about £19,000 too high, and on this is based the new estimate. Subject to further remarks by Accountant General, £375,000 may be taken for 1871-72.

18.—*Police*—

	£
Original grant, 1870-71, unrevised	350,730

Accountant General has made no remarks. There appears no probability of any saving; rather the contrary. Next year this item will be provincial.

19.—*Marine*—

	£
Original grant, 1870-71, unrevised	7,378
Accountant General's estimate for this year and next... ...	7,331

The actuals of eight months justify only £7,000, which we may take for 1870-71, accepting next year's estimate.

20.—*Education*—

	£
Grant, 1870-71, not revised ...	90,052

Accountant General makes no remarks. No ground for hoping for any saving; rather the contrary.

21.—*Ecclesiastical*—

	£
Grant, 1870-71	41,784
Revised Estimate	40,000
Accountant General now estimates only	36,505

Of this saving more than £2,000 is due to the absence of the Bishop and his Chaplain and of the Archdeacon. The Chaplains also are short. The actuals of eight months warrant £37,000. £40,424 is asked for next year. But there seems reason to think that it is too high. We may set down £40,000, pending further explanation as to whether the Bishop's full salary will be drawn, &c.

22.—*Medical Services*—

	£
Original Estimate, 1870-71 ...	101,241
Revised „	96,000

The Accountant General has only revised £39,545 of the original estimate, reducing it to £36,275. Pending his revised estimate, we may take £92,000 as probably sufficient for the year's expenditure. For next year the Accountant General proposes £37,968. Perhaps it is safe to take this, or say £37,900.

23. *Stationery and Printing*—

	£
Original grant, 1870-71 ...	36,523
Revised	37,000

Accountant General only revises £1,982, which he reduces to £1,934.

Pending further report from him, the revised cannot be reduced. Indeed it appears too low. For next year the Accountant General's figure £1,934 may be taken.

24. *Political*—

	£
Original grant, 1870-71	10,055
Revised	10,000
Accountant General proposes only ...	7,735

the reduction being on account of absence of the Resident at Marwar on leave, and of certain reductions in establishment. We may take the Accountant General's figure.

For 1871-72, £10,418 is asked; but this sum is high. Travelling allowance certainly need not exceed £600, and we must know whether Resident will return on 1st April; meanwhile £10,350 may pass.

25. *Allowances, &c.*—

	£
Original, 1870-71	299,770
Revised	300,000
Accountant General takes ...	281,191

The decrease is attributed chiefly to commutation of certain allowances to religious institutions in South Canara into land. We may accept the Accountant General's figures for this year on his responsibility and also for next year (£279,827.)

26. *Miscellaneous.*—

	£
Original, 1870-71 ...	129,370
Revised	129,000
Accountant General advises..	116,240

and it is to be observed that £12,700 is taken for Loss by Exchange. The loss to date is £7,255, and £1,000 will more than cover what remains. We may take on this account £8,000, reducing Accountant General's estimate to £111,540; the savings appear general, and this figure may be taken.

For 1871-72, £135,241 is asked for, including £22,700 for Loss by Exchange. It will be enough to take £10,000 for that item, reducing the grant to £122,541, which includes £7,500 for the Census, which may possibly not be carried out.

27. *Pensions, &c.*—

	£
Original, 1870-71 ...	238,820
Revised	238,000

The Accountant General reduces it to £215,212.

The reduction is owing to the postponement of the payment of certain Police gratuities; they should be hurried on if possible.

We may take the Accountant General's figure, or £215,000, asking why payments to date are so largely behind in comparison with last year, £145,090 to £217,251.

We may ask also whether it is only by mistake that the Managers of the Civil Fund have provided for no donation to make good deficiencies in 1871-72. If so, it should be made good. Meanwhile we may take Accountant General's figure for next year, £209,671.

The following is the result of all these suggestions, the figures being in the estimates of this Department *rounded* :—

	Regular Estimate, 1870-71.		*First Estimate*, 1871-72.	
	Local.	Financial Department.	Local.	Financial Department.
	£	£	£	£
2.—Interest	79,486	79,500	95,778	95,700
3.—Refunds	31,000	27,000	23,900	27,000
4.—Land Revenue	449,146	420,000	449,560	425,000
5.—Forest	34,400	30,000	38,700	38,700
6.—Excise	27,600	31,000	30,000	27,500
7.—Assessed Taxes	3,430	3,400	4,700	4,700
8.—Customs	17,209	17,000	18,140	18,600
9.—Salt	149,690	140,000	170,000	150,000
11.—Stamps	10,569	10,500	9,929	9,900
12.—Mint	3,700	3,700	3,200	3,200
15.—Administrations	131,705	131,700	131,876	131,900
16.—Minor Departments	14,868	14,000	16,054	15,500
17.—Law and Justice	341,062	437,000	392,620	375,000
18.—Police	.....	350,800	.....	.....
19.—Marine	7,331	7,000	7,331	7,300
20.—Education	.....	90,000	.....	.....
21.—Ecclesiastical	36,505	37,000	40,424	40,000
22.—Medical	36,276	92,000	37,968	37,900
23.—Stationery and Printing	1,934	37,000	1,934	1,950
24.—Political	7,735	7,750	10,481	10,350
25.—Allowances, &c.	281,191	281,200	279,827	279,800
26.—Miscellaneous	116,424	111,550	135,241	122,500
27.—Pensions	215,212	215,000	209,671	209,700
TOTAL ...	1,909,173	2,574,100	2,038,934	2,031,600

The following is an abstract of these results:—

	£
Original Grants, 1870-71 ...	2,684,211
Revised	2,671,883
Regular...	2,574,100
Regular less than Original ...	110,111
Less than Revised ...	97,783

Gross improvement (Receipts and Charges) compared—

With Original Grants ...	360,531
With Revised Estimate ...	195,925

The main improvements on the Expenditure side as compared with the original are—

	£
Land Revenue	7,422
Forest	4,492
Salt	10,000
Law and Justice	7,321
Ecclesiastical	4,784
Medical	9,241
Allowances, &c.	18,570
Miscellaneous	17,820
Pensions	23,820

It is evident that the original estimates were on both sides inconveniently unfavorable, and the attention of the local authorities may be directed to this; in order that the estimates of 1871-72 may be again carefully revised.

For 1871-72 the grant at present proposed is ...	£2,031,600
Add assignment for provincial services, exclusive of proportion for public works ...	„ 522,311
	£2,553,911

being £20,189 less than the Regular Estimate for the current year. This is including the sum of £39,150 saved by the local finance scheme in the Civil Department, so that, apart from that saving, the grant is for a small increase of £18,961. Besides £81,810 receipts which will go to Local Government, so that the excess over this year is really £100,771—

	£
Interest	16,200
Land Revenue	5,000
Forest	8,700
Assessed Taxes	1,300
Customs	1,000
Salt	10,000
Minor Departments ...	1,500
Law and Justice	53,000
Ecclesiastical	3,000
Medical	7,900
	£107,600

Against which are to be set sundry small decreases.

18-1-71. R. B. C.

	Original. £	Surplus. £
	7,782,660	
	2,684,211	
		5,098,449
Revised.		
	7,934,938	
	2,671,883	
		5,263,055
Regular.		
	8,033,080	
	2,574,100	
		5,458,980
Estimate 1871-72.		
	7,999,627	
	2,553,911	
		5,445,716
Worse than Regular ...		34,264

In Fin. No. 61 of 1871.

8a

MADRAS SUPPLEMENTARY REGULAR ESTIMATES.

Receipts.

XIII. Law and Justice.—My Estimate needs no alteration at present, as it is framed so as to include Registration.

XIV. Police.—

	£
Original, not yet altered ...	32,350
Local Regular ...	350,000
Indicated by actuals ...	340,000

In the absence of explanation, more cannot be taken.

XVI. Education.—

	£
Original, repeated in my Regular	6,900
Local Regular	7,050
Actuals indicate only ...	6,141

In the absence of explanation, more cannot be taken.

XVIII. Miscellaneous.—

In the Regular credit was taken for £4,460 on account of the omitted item. Accountant General now estimates £4,360, which may be taken.

Expenditure.

17. *Jails and Registration.*—

	£
Grant	115,013
Local Regular	112,125
Saving	2,788

In my note I have made a much larger reduction than this.

18. *Police.*—

	£
Grant (repeated hitherto) ...	350,730
Local Regular	351,320

May pass.

20. *Education.*—

Grant (repeated hitherto) ...	90,052
Local Regular	93,357
The actuals do not indicate more than	90,309

and pending explanation, it seems unnecessary to enter more.

22. *Medical Services.*—

	£
Accountant General reduces the remaining grant ...	61,696
to	56,817
Making the whole expenditure	93,092
The figure taken in my note is	92,000
The actuals indicate *proportionately* only ...	90,278

Pending explanation, £92,000 may stand.

23. *Stationery and Printing.*—

Taking in the figures now given—

	£
Accountant General's Estimate is	36,165
The figure in my note is ...	37,000
The actuals indicate ...	36,600

which may be taken.

The following alterations may be made accordingly in the Regular Estimate proposed by my note.

RECEIPTS.

	My Note.	Now taken.
Police	32,350	34,000
Education	6,900	6,100
Miscellaneous	4,460	4,360
	43,710	44,460
Deduct		43,710
Better		750
Worse	438	438
Net Better	312	

CHARGES.

	My Note.	Now taken.
Police ...	350,730	351,220
Education ...	90,052	90,300
Stationery, &c. ...	37,000	36,600
	477,782	478,220
Deduct		477,782

28-1-71. R. B. C.

In Fmb. No 61 of 1871

No 642 — G P

To The Chief Secy: to the Government of Fort Saint George.

Financial Dept.t Sir,

In forwarding the accompanying Memoranda dated 18th and 28th January 1871 on the Madras Estimates for 1870/71 and 1871/72, I am directed to request, that the Government of Madras will favour this Government with the report and explanations required under the following heads.

Receipts

IV Excise - Para: 2

Expenditure.

7 Assessed Taxes.

8 Customs - Para: 2

Total Expenditure - Page 12.

I have the honor to be,
Sir,
Your Most Obed.t Servant,

Fort William
The 3d February 1871

W. W. Williamson

Asst. Secy: to the Govt. of India

Ans.d 7/2

Disp 3/3/71.

Financial Department.

No. 83.

The Secretary to the Government
of India.

Financial Department.

Sir,

With reference to Mr. Assistant Secretary Hollingberry's letter dated the 3rd instant, No. 1871, and the memoranda which accompanied it, I am directed to explain that the increase of £30,000 shown in Receipts "Excise" over the estimate for the current year, is to be ascribed to the Accountant General having calculated the Regular Estimate at £600,000 in consequence of an increased collection of Rs. 2¾ lacs during the first eight months of 1870-71, as compared with the receipts of the corresponding period of the previous year. In the opinion of this Govt.

the

the Accountant Generals' Estimate is high, as the Actuals for 10 months of 1870-71 amount only to £ 488,050. and the actuals for Feb. -ruary and March 1870. being taken as the Esti. -mate for February and March 1871 at _____ £ 100,690
the Gross receipts for 1870-71 are not likely to exceed _____ £ 588,740
or £ 11,260 less than the Accountant Generals Regular Estimates. Making due allowance for failures of contracts the estimate for 1871-72 has been fixed at £ 580,000 and there is no reason for assuming that a larger Sum will be realized.

5. With reference to the estimate of Expenditure under "Assessed Taxes" of £ 4,700 for 1871-72, I am to point out that the reduction in the rate of tax, without the area of its incidence being also reduced, will not reduce the cost of the Establishments necessary for the collection of the taxes.

As

6. As regards £ 1,200 entered on account of petty contingencies and repairs under Grant 8 "Customs" I am to observe that in the Estimate, as passed by this Govt. £ 1000 was disallowed from the charge in question, and that the gross charge under "Customs" for 1871-72 has been fixed at £ 17,140, against £ 17,390 the Grant for 1870-71.

7. The cause of the increase in the total Estimated Charge for 1871-72 is explained in my letter dated the 7th instant. No. 60. a copy of which is enclosed.

I have &c
27 February 71

110

18 . *Department.*

No.

To

The Secretary to the

Government of

Department

Dated 187 .

1871.

Financial DEPARTMENT.

From
The Chief Secretary to Government,
Fort Saint George,

To
The Secretary to the Govt. of India,
Financial Department.

Dated July 27. 1871.
Rcvd.

No. 83.
Enclosure.

Nos. 26. 27.

Furnishing with the explanation called for respecting certain heads of the Madras Estimates for 1870-71. 1871-72.

a 93/2
R 26/2