

7
Financial (1897) Department.

ORDINARY PRINTED.

G.O., No 800

Dated 27. 9. 97

INDEXED.

12/13

[Despatch Abstract.]

Charges of the Salt & Abkari Dept.

Recording, with remarks, Pres. Rev. Dept.
on letter from the G. & S. regarding
the distribution of the Combined.
— between "Salt" and "Excise"
and between "Provincial" and
"Imperial".

20/9/97

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

Government { 1897 } of Madras. FINANCIAL.

Recd.

Regd.

1897.

Enclosures

Spare copies

G.O., No. 800, 27th September 1897.

SEPTEMBER.

Charges of the Salt and Abkari Department.

Recording, with remarks, Proceedings, Revenue Department, on letter from the Government of India regarding the distribution of the combined — between "Salt" and "Excise" and between "Provincial" and "Imperial."

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

READ—again the following paper :—

Paragraphs 11-18 of Appendix B to letter No. 905, Financial, dated 29th December 1896.

READ—also the following paper :—

G.O., Mis. No. 4333, Revenue, dated 18th August 1897.

Read—the following letter from the Government of India, Finance and Commerce Department, dated Simla, 9th August 1897, No. 3499-A :—

With reference to the correspondence ending with your letter, Mis. No. 3226-A, dated the 28th June 1897, I am directed to convey the sanction of the Government of India to the distribution, in future, of the combined charges of the Salt and Abkari Department of the Madras Presidency upon the principles stated in paragraph 4 of the letter in this department, No. 190-S.R., dated the 13th January 1897, namely—

(1) that all expenditure on "Salt purchase and freight" shall be charged to the head "5. Salt". These charges are Imperial under the orders relating to the Provincial settlement;

(2) that charges for petty construction and repairs on account of excise licenses shall continue to be charged to the head "5. Salt". These charges are Provincial under the orders referred to in (1); and

(3) that all other charges for the combined Salt and Excise Department shall be distributed in the proportion of $\frac{3}{4}$ ths to Salt and $\frac{1}{4}$ ths to Excise. These charges are in both cases $\frac{3}{4}$ ths Imperial and $\frac{1}{4}$ ths Provincial under the orders referred to in (1).

1. Letter to the Government of Madras, Revenue Department, No. 190-S.R., dated the 13th January 1897.
2. Letter from the Government of Madras, Mis. No. 3226-A, dated the 28th June 1897.

Copy, with a copy of the correspondence noted in the margin, forwarded to the Comptroller and Auditor General and the Accountant-General, Madras, for information.

Order—Mis. No. 4333, Revenue, dated 18th August 1897.

Communicated to the Board of Revenue (Separate Revenue) for information and guidance.

(True Extract.)

(Signed) G. STOKES,
Ag. Secretary to Government.

To the Board of Revenue (Separate Revenue).
Financial Department.

ORDER—No. 800, Financial, dated 27th September 1897.

Recorded.

2. The appendix to this order compares the distribution of the figures of the budget estimate for the current year under the heads 5. Salt and 7. Excise as shown on page 55 of the civil estimates and as now sanctioned.

(True Extract.)

for Chief Secretary.

To the Revenue Department.

„ Accountant-General.

„ Board of Revenue (Separate Revenue).

APPENDIX.

Salt and Excise Charges.	Budget for 1897-98.	As distributed.							
		5. Salt.				7. Excise.			
		As shown on page 55 of the Civil estimates.		As now sanctioned.		As shown on page 55 of the Civil estimates.		As now sanctioned.	
		Proportion.	Amount.	Proportion.	Amount.	Proportion.	Amount.	Proportion.	Amount.
A. Cost of Combined Departments	30.37	..	..	..	..	..	..	..	..
Deduct—									
B. Salt purchase and freight ..	4.51	..	..	..	..	..	..	..	..
C. Licensees' works	.74	..	..	..	..	..	..	..	..
Total	5.25	..	..	..	..	..	..	..	..
D. Remainder	25.12	$\frac{3}{4}$ ths	18.84	$\frac{3}{4}$ ths	15.07	$\frac{1}{4}$ th	6.28	$\frac{1}{4}$ ths	10.05
Imperial share, $\frac{3}{4}$ ths	18.84	$\frac{3}{4}$ ths	14.13	$\frac{3}{4}$ ths	11.30	$\frac{1}{4}$ th	4.71	$\frac{3}{4}$ ths	7.54
Add B. Salt purchase and freight ..	4.51	1	4.51	1	4.51	..	..	..	..
E. Total Imperial	23.35	..	18.64	..	15.81	..	4.71	..	7.54
Provincial share, $\frac{1}{4}$ th of D	6.28	$\frac{1}{4}$ ths	4.71	$\frac{1}{4}$ ths	3.77	$\frac{1}{4}$ th	1.57	$\frac{1}{4}$ ths	2.51
Add C. Licensees' works	.74	1	.74	1	.74	..	..	..	..
F. Total Provincial	7.02	..	5.45	..	4.51	..	1.57	..	2.51
Grand Total (E + F)	30.37	..	24.09	..	20.32	..	6.28	..	10.05

Financial (1897) Department.

CURRENT No. 2647

Ref
There was something
about him in letter of 29 Dec
1896 & Contract book is up
please refer to it
29/12/96

M. S. C.

Mark of the 100000 in letter (forwarded) letter No. 904/5-7 29-12-96
in this report up a short note showing
From
The Revenue Department

Order

Ans
31/8/97

No. 4333 Mus

80 No 800
27-9-97
Tril

Dated 18th August 1897

Received 27th August 97.

Registered 80 — 80 — 2

Enclosures 2

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SUBJECT.

Communicating to the Board of
Revenue (Separate Revenue) letter
from the Govt. of India regarding
distribution of the combined charge
of Salt and Amari Deptt. between
"Salt" and "Treasury", and between "Pro-
vincial" and "Imperial".

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

REVENUE DEPARTMENT.

1897.

Board of Revenue

(Separate Revenue),

MADRAS.

Printed May 13th.

Proceedings, No. 171, 4th May 1897.

MAY.

Submitting to Government the Board's remarks on letter from the Government of India making certain suggestions for an equitable distribution between "Excise" and "Salt" of the charges of the combined Madras Salt and Abkari Department.

PROCEEDINGS OF THE BOARD OF REVENUE (SEPARATE REVENUE).

READ—the following G.O., Mis. No. 503, Revenue, dated 27th January 1897:—

Read—the following letter from R. M. DANE, Esq., Deputy Secretary to the Government of India, Finance and Commerce Department, to the Secretary to the Government of Madras, Revenue Department, dated Calcutta, the 13th January 1897, No. 190 S.R.:—

I am directed to acknowledge the receipt of your letter No. 371, dated the 29th July 1896, explaining the causes (1) of the increase which occurred in credit transactions and the consequent decrease in the actual realisations on account of the duty on Salt in the year 1893-94, and (2) of the increase in recent years in the charges debitable to Salt in the Madras Presidency.

2. With reference to the remarks made in paragraph 5 of your letter as to the causes of the growing rate of expenditure, the Government of India have considered the question of the distribution of the charges of the combined Madras Salt and Abkari Department. For account purposes, three-fourths of the total charges are debited to "Salt", but it is admitted in your letter that this distribution cannot correctly be applied in determining the percentage of charges to receipts under either head.

3. The proportion in which the charges of the Combined Department are debited to Salt and Excise, respectively, was fixed by the order of the Government of Madras, No. 1338 (Financial), dated the 18th December 1891, and was probably well suited to the conditions which existed at the time. Since 1891, however, the circumstances have materially altered. The normal increases which occur in the production of Salt in other hand, the development in the Madras Excise revenue in recent years, owing to the extension of the tree-tax system of toddy revenue, the operation of the "private distillery and free supply" country spirit system, and the reduction in the size (and consequent increase in the number) of the vend contract areas, has involved a large increase in the strength of the Department; and under present conditions "Salt" appears to be overweighted to some extent by charges which do not fairly belong to it, and which, or at least a portion of which, ought to be debited to "Excise."

4. A re-adjustment of the charges would seem therefore to be desirable, and I am directed to request that, with the permission of His Excellency the Governor in Council, the question may be considered, and that the Government of India may be favoured with a full expression of the opinion of the Government of Madras upon the possibility of improving the existing distribution. The principles upon which the Government of India think that the distribution should in future be made may be thus stated:—

- (1) that all expenditure on Salt Purchase and Freight shall be charged to Salt and be taken as Imperial;

- (2) that the charges for the combined Salt and Excise Establishment (excluding the item "Petty Construction for Licensees") shall be distributed, on the basis of the revenue realised from each, in the proportion of three-fifths to Salt and two-fifths to Excise; and be taken in both cases three-fourths to Imperial and one-fourth to Provincial.

A memorandum, prepared in this Department, showing the present distribution of the charges as made in the Madras Civil Estimates, the distribution which should, in the opinion of the Government of India, be adopted in accordance with the above principles and the manner in which the proposed distribution has been arrived at, is appended to this letter.

5. Should the above principles not commend themselves to the Government of Madras, I am to enquire whether any other method of division can be suggested, which will, while avoiding the necessity for intricate calculations, effect a fairer distribution of the charges of the Department, the principles to be kept in view being—

- (a) that the Department must be worked as a combined one;
- (b) that the rule of distribution of common charges should be as simple in its working as possible;
- (c) that the result should show, with a fair approximation to accuracy, the charges which are, on a general view, fairly assignable to Salt and Excise, respectively, in respect of the amount of the duties of the Combined Department which is assignable to each.

ENCLOSURE No 1.

Memorandum.

[NOTE.—The figures in this memorandum when not expressed in Rs. are in Rs. omitting 000.]

The existing method of division of the expenditure of the Madras Salt and Abkari Department is thus shown on page 49 of the Madras Civil Estimates. Figures of 1896-97:—

As originally charged.	AS DISTRIBUTED.			
	Salt.		Excise.	
SALT.				
<i>Combined Establishment.</i>				
1. Madras	25,03	$\frac{3}{4}$ 18,76 A	$\frac{1}{4}$	6,27 A
2. Petty Construction for Licensees	78	1 78 B		...
3. Orissa	1,44	1 1,44 A		...
<i>Salt Purchase and Freight.</i>				
4. Madras	6,05	$\frac{3}{4}$ 4,54 A	$\frac{1}{4}$	1,51 A
5. Orissa	53	1 53 A		...
Total	33,83	26,05		7,78
Imperial share being $\frac{3}{4}$ of items marked A ...		18,96		5,84
Provincial share being $\frac{1}{4}$ of items marked A				
and whole of item marked B		7,09		1,94

The Orissa items which are admittedly wholly salt may be excluded from the calculation.

The expenditure on Salt Purchase and Freight has apparently nothing to do with Excise. It appears to be an entirely separate item, and shown separately in the accounts, and it should be wholly shown under Salt, and, moreover, should be treated as entirely Imperial.

There remains the question of the establishment (excluding the special provincial charge of petty construction and repairs, which is included in the accounts, under the head of the Combined Establishment).

BOARD OF REVENUE (SEPARATE REVENUE), No. 171, 4TH MAY 1897.

The Combined Establishment is shown as having cost, excluding the Orissa portion—

1893-94	...	...	...	...	22,62	—55 (a)	=	22,07
1894-95	...	...	...	...	22,33	—76 (a)	=	21,57
1895-96 Revised	...	...	...	...	23,71	—80 (a)	=	22,91
1896-97 Budget	...	...	...	...	25,81	—78 (a)	=	25,03

(a) Petty construction items.

Administratively, the whole of this establishment must be worked as a Combined Establishment; but it is important for correctness of accounts, that some proper division should be made of the charges, as between the two heads Salt and Excise.

The last years in which the Departments of Salt and Excise were separate, the charges were—

		Salt.		
		Purchase of salt.	Establishments.	Excise establishment.
1883-84		5,63	10,44 —1,48 (b) = 8,96	1,99
1884-85		5,30	11,02 — 98 (b) = 10,04	2,32

(b) Petty Construction items.

But there has been a very rapid advance of charge since that time. The Salt and Excise revenues of these two years were (about)—

	Salt.	Excise.
1883-84	1,38,50	66,10
1884-85	1,38,00	77,30

The figures now are—

		1894-95.	1895-96.	1896-97.
Revenue { Salt		1,79,50	1,96,00	1,82,00
Excise		1,36,70	1,43,50	1,44,50
Expenditure on Combined Establishment		21,57	22,91	25,03

From these figures it appears that—

- (1) 10 lakhs of expenditure sufficed for the management of Salt, when its revenue was Rx. 1,380,000.
- (2) 2.32 lakhs of expenditure sufficed for the management of Excise, when its revenue was Rx. 773,000.
- (3) The revenue has since then increased by Rx. 440,000 under Salt and by Rx. 672,000 under Excise; and at the same time the expenditure on establishments has increased by more than 12 lakhs.
- (4) If this 12 lakhs were distributed according to increase of revenue, it would give, approximately, R. 4,75 for Salt and R. 7,25 for Excise.
- (5) This would give as a whole—

Salt	...	...	...	...	10,00	+	4,75
Excise	...	...	...	...	2,32	+	7,25
or on the whole—							14,75
Salt	...	...	...	...			9,57
Excise	...	...	...	...			
Total	...	...	...	...			24,32

or, approximately, $\frac{2}{3}$ to Salt and $\frac{1}{3}$ to Excise.

If the figures with which the calculation has been started were made up in these proportions, the result would be as follows:—

BOARD OF REVENUE (SEPARATE REVENUE), No. 171, 4TH MAY 1897.

5

Originally charged.	Distributed.	
	Salt.	Excise.
Salt.		
Combined establishment—		
Madras	25,03	15,02
Petty Construction for Licensees	78	78
Orissa	1,44	1,44
Salt purchase and freight—		
Madras	6,05	6,05
Orissa	53	53
Total	23,82	10,01

This will apparently be a better division than the existing one, for by far the greater part of the increase from Salt 10 lakhs and Excise 2.32 lakhs to a total of 25 lakhs for the two has been due to development of Excise rather than development of Salt.

Order—Mis. No. 503, Revenue, dated 27th January 1897.

Referred to the Board of Revenue for remarks.

(True Extract.)

(Signed) LIONEL DAVIDSON,
Under Secretary to Government.

To the Board of Revenue (Separate Revenue).

RESOLUTION—No. 171, dated 4th May 1897.

With reference to the Government order read above the Board begs to offer the following remarks on the proposals of the Government of India regarding the distribution of the charges of the combined Madras Salt and Abkari Department between "Salt" and "Excise."

2. When the administration of the Excise Department was entrusted to the Commissioner of Salt Revenue in 1884 it was ordered that the then existing salt preventive establishment should be employed also for the prevention of offences against the Abkari Laws, but the cost of this establishment even after the amalgamation of the two Departments continued to be debited entirely to "Salt," the cost of the additional establishments sanctioned in connection with improvements in the administration of the Abkari Revenue being alone charged to "Excise." Thus up to the end of 1891-92 the principle followed in distributing the establishment charges of the combined department was to debit to Excise a fraction of the combined charges under each head of establishment which had for its numerator the additional cost incurred on account of Abkari while the denominator was the total sanctioned cost of the combined department (excluding Orissa). The contingent charges, except "salt purchase and freight" which were debited wholly to salt, were also divided in the same proportion. The work which the foregoing method of calculation involved was pointed out to Government in Board's Proceedings, No. 497, dated 27th October 1891, and it thereupon decided (*vide* G.O., No. 1338, Financial, dated 18th December 1891), that from 1892-93 the proportion debitable to Excise should be taken at one-fourth of the net charges of the combined department, excluding charges incurred in Orissa and the

* G.O., No. 271, Financial, dated 4th March 1892. expenditure on account of Excise * licensees' works. Under this system Salt Purchase and Freight, which is purely a manufacturing charge, was also proportionately debited to Excise. This method of distribution was followed during the five years ending 1896-97.

3. According to the memorandum of calculations made by the Government of India and forwarded with the Government order read above the total charges of the combined department excluding (1) Orissa charges, (2) charges on account of petty construction for licensees and (3) charges on account of salt purchase and freight are distributed between "Salt" and "Excise" in the proportion of three-fifths to the former and two-fifths to the latter. This distribution has been suggested (1) with reference to the fact that expenditure on Salt Purchase and Freight is a purely salt charge and, as such, should be wholly debited to it, and (2) in consideration of the increase in the revenue under each of the heads "Salt" and "Excise" (as adopted in the Civil budget estimates for 1896-97) over the revenue realized under these heads in 1884-85, the year before the transfer of the administration of Excise revenue to the then Commissioner of Salt Revenue. The Board has carefully considered the method of division suggested by the Government of India and can see no objection to its adoption. It is simple and fair to both heads of revenue on the whole and it does not see what advantage could be gained by adopting a more elaborate system to ensure more absolute correctness in results. The words "absolute correctness" are however hardly applicable as a true division of the work of the Establishment between the two sources of Revenue would be impossible as the abolition of either source of revenue could not be attended by anything like a proportionate reduction in the number of officers and men. The Board, however, begs to draw the attention of Government to a mistake in working out the figures. The salt revenue in 1896-97 is taken at Rs. 1,82,00,000 and the expenditure on combined establishment in that year at Rs. 25,03,000. The former figure includes the revenue of Orissa while the latter excludes the charges relating to that province. Both the estimates should exclude the figures for Orissa. The calculations as thus amended will be as under:—

	Revenue.	Charges.
	RS.	RS.
1885—		
Salt	1,38,00,000	* 10,04,000
Excise	77,30,000	2,32,000
1896-97 (Civil budget estimate)—		
Salt	+ 1,78,97,000	+ 25,03,000
Excise	1,44,50,000	
Increase—		
Salt	40,97,000	12,67,000
Excise	67,20,000	
or proportionately—		
Salt		4,81,000
Excise		7,86,000
This would give on the whole—		
Salt Rs. (10,04,000 + 4,81,000)		14,85,000
Excise Rs. (2,32,000 + 7,86,000)		10,18,000
Total		25,03,000

or approximately three-fifths to Salt and two-fifths to Excise.

- * Excludes salt purchase and freight.
- + Excludes Orissa.
- † Excludes charges for Orissa, salt purchase and freight and licensees' works.

4. It may be stated in this connection that the proportionate charges debitable to "Salt" and "Excise" according to the method of calculation ordered to be given up in G.O., No. 1338, Financial, dated 18th December 1891, are almost the same as those now arrived at by the Government of India as may be seen from the subjoined statement:—

	Total charges.	Proportion debitable to Excise.		Net debitable to Salt.	
		Amount.	Centage.	Amount.	Centage.
According to the method of distribution in force prior to 1892-93	RS. 25,03,000	RS. 10,51,260	42	RS. 14,51,740	58
According to the Government of India method	25,03,000	10,18,000	40	14,85,000	60

Two statements showing how the charges above arrived at have been worked out are also enclosed.

(True Copy and Extract.)

(Signed) N. S. BRODIE,
Acting Secretary.

(True Copy.)

(Signed) EDMUND MILLETT,
Assistant Secretary.

To the Secretary to Government, Revenue Department.

APPENDIX A.

STATEMENT showing the particulars of officers and establishments sanctioned on account of Abkari since 1892-93, with the cost of the increased establishments sanctioned both for Abkari and for Salt, the actual increase in the establishment charges since that year and the proportion of that increase debitable to Salt and Abkari separately.

Years.	Assistant Commissioner.	Inspectors.		Assistant Inspectors.		Sub-Inspectors.		Clerks, &c.	
		Permanent.	Temporary.	Permanent.	Temporary.	Permanent.	Temporary.	Permanent.	Temporary.
1	2	3	4	5	6	7	8	9	10
1892-93	NO.	NO.	NO.	NO.	NO.	NO.	NO.	NO.	NO.
1893-94	..	8	..	7	3	39	18	39	7
1894-95	..	..	..	2	..	19	1	41	..
1895-96	..	..	..	2	..	39	1	32	..
1896-97 (up to date of budget).	1	10	..	2	..	84	9	57	1
	..	3	1	4	..	79	5	43	2

Years.	Menials.		Total cost of establishments sanctioned on account of Abkari per annum.	Total cost on account of Salt.	Grand Total.	Actual increase in the establishment charges.	Proportion debitable to Abkari with reference to column 13 and 16.	Proportion debitable to Salt with reference to columns 14 and 16.
	Permanent.	Temporary.						
	11	12	13	14	15	16	17	18
1892-93	NO.	NO.	RS.	RS.	RS.	RS.	RS.	RS.
1893-94	407	78	79,150	20,372	99,522	55,358	44,287	11,071
1894-95	147	24	36,426	19,668	56,094	94,329	60,641	33,688
1895-96	174	14	44,824	1,088	45,912	69,758	68,242	1,516
1896-97 (up to date of budget).	423	16	140,802	1,726	1,42,528	93,312	91,998	1,314
	479	158	97,200	5,454	1,02,654	..	..	..

APPENDIX B.

Calculations for finding the charges debitable to "Abkari" on account of establishments, &c., from 1891-92 according to the old method.

	Total actual charges.	Proportion debitable to Abkari.	Net debitable to Salt.
	RS.	RS.	RS.
Total charges of the Salt and Abkari Department (excluding Orissa) at the end of 1891-92 as per administration report	23,34,067	5,60,176	17,73,891
Deduct—"salt purchase and freight"	3,81,287	..	3,81,287
Net Proportion	19,52,780	5,60,176	13,92,604
	100	28.7	71.3
Salaries and establishment charges at this proportion	13,86,079	3,97,805	9,88,274
Add—salaries and establishment charges additionally incurred in 1892-93—side statement A (columns 16, 17 and 18)	55,358	44,287	11,071
Total establishment charges at end of 1892-93	14,41,437	4,42,092	9,99,345
	100	30.6	69.4
Actual expenditure incurred in 1892-93 on account of salaries, establishment charges and contingencies, excluding charges on account of licensees' works and amounts that should properly have been debited to salt and abkari at the above proportion	19,44,421	5,94,993	13,49,428
Add—			
Expenditure on licensees' works	54,237	..	54,237
Salt purchase and freight	3,42,040	..	3,42,040
Total expenditure of the combined Salt and Abkari Department in 1892-93	23,40,698	5,94,993	17,45,705
Total expenditure according to 25 per cent. proportion as shown in the administration report for that year	23,40,698	5,85,174	17,55,524
Gain or loss (+ or —) by adopting the latter method	..	+ 9,819	— 9,819
1893-94.			
Total establishment charges at end of 1892-93	14,41,437	4,42,092	9,99,345
Add—cost of additional establishments sanctioned in 1893-94	94,329	60,641	33,688
Total charges at end of 1893-94	15,35,766	5,02,733	10,33,033
	100	32.7	67.3
Actual expenditure incurred in 1893-94 on account of salaries, establishments and contingencies, excluding charges on account of licensees' works	21,90,946	7,16,439	14,74,507
Add—			
Expenditure on licensees' works	54,339	..	54,339
Salt purchase and freight	2,14,813	..	2,14,813
Total expenditure of the combined Salt and Abkari Department in 1893-94	24,60,098	7,16,439	17,43,659
Total expenditure according to the 25 per cent. proportion as shown in the administration report	24,60,098	6,01,440	18,58,658
Gain or loss (+ or —) by adopting the latter method	..	+ 1,14,999	— 1,14,999
1894-95.			
Total establishment charges at end of 1893-94	15,35,766	5,02,733	10,33,033
Add—cost of additional establishment entertained in 1894-95	69,758	68,242	1,516
Total charges at end of 1894-95	16,05,524	5,70,975	10,34,549
	100	35.5	64.5
Actual expenditure incurred in 1894-95 on account of salaries, establishments and contingencies, excluding charges on account of licensees' works	21,57,689	7,65,980	13,91,709
Add—			
Expenditure on excise licensees' works	75,832	..	75,832
Salt purchase and freight	3,05,797	..	3,05,797
Total expenditure of the combined Salt and Abkari Department in 1894-95	25,39,318	7,65,980	17,73,338
Total expenditure according to the 25 per cent. proportion as shown in the administration report	25,39,318	6,15,871	19,23,447
Gain or loss (+ or —) by adopting the latter method	..	+ 1,50,109	— 1,50,109
1895-96.			
Total establishment charges at end of 1894-95	16,05,524	5,70,975	10,34,549
Add—cost of additional establishment entertained in 1895-96	93,312	91,998	1,314
Total charges at end of 1895-96	16,98,836	6,62,973	10,35,863
	100	39	61

Calculations for finding the charges debitable to "Abkari" on account of establishments, &c., from 1891-92 according to the old method—cont.

	Total actual charges.	Proportion debitable to Abkari.	Net debitable to Salt.
	RS.	RS.	RS.
1895-96—cont.			
Actual expenditure incurred in 1895-96 on account of salaries, establishments and contingencies, excluding charges on account of licensees' works	22,55,952	9,79,821	12,76,131
Add—			
Expenditure on licensees' works	53,994	..	53,994
Salt purchase and freight	5,41,021	..	5,41,021
Total expenditure of the combined Salt and Abkari Department in 1895-96	28,50,967	9,79,821	18,71,146
Total expenditure according to the 25 per cent. proportion as shown in the administration report	28,50,967	6,99,243	21,51,724
Gain or loss (+ or —) by adopting the latter method	..	+ 2,80,578	— 2,80,578
1896-97.			
Total establishment charges at end of 1895-96	16,98,836	6,62,973	10,35,863
Add—establishment sanctioned in 1896-97	1,02,654	97,200	5,454
Total	18,01,490	7,60,173	10,41,317
	100	42	58
Expenditure for 1896-97 according to the civil budget estimate for that year on account of salaries, establishments and contingencies excluding charges on licensees' works	25,03,000	10,51,260	14,51,740
Add—			
Petty construction for licensees	78,000	..	78,000
Orissa	1,44,000	..	1,44,000
Salt purchase and freight—			
Madras	6,05,000	..	6,05,000
Orissa	53,000	..	53,000
Total	33,83,000	10,51,260	23,31,740
In round figures	33,83,000	10,51,000	23,32,000
		10,01,000	23,82,000
As per memorandum in Government of India letter		7,78,000	26,05,000
Do. civil budget estimate for 1896-97			

Thus the distribution of the charges of the combined Salt and Abkari Department, excluding the charges relating to (1) Orissa, (2) licensees' works and (3) salt purchase and freight will, according to the foregoing calculations, be in the proportion of 58 per cent. to Salt and 42 per cent. to Excise against 60 per cent. to Salt and 40 per cent. to Excise arrived at by the Government of India. The difference is, however, slight.

Actual expenditure incurred in 1895-96 on account of salaries, establishments and contingencies, excluding charges on account of licensees' works	22,55,952	9,79,821	12,76,131
Add—			
Expenditure on licensees' works	53,994	..	53,994
Salt purchase and freight	5,41,021	..	5,41,021
Total expenditure of the combined Salt and Abkari Department in 1895-96	28,50,967	9,79,821	18,71,146
Total expenditure according to the 25 per cent. proportion as shown in the administration report	28,50,967	6,99,243	21,51,724
Gain or loss (+ or —) by adopting the latter method	..	+ 2,80,578	— 2,80,578
1896-97.			
Total establishment charges at end of 1895-96	16,98,836	6,62,973	10,35,863
Add—establishment sanctioned in 1896-97	1,02,654	97,200	5,454
Total	18,01,490	7,60,173	10,41,317
	100	42	58
Expenditure for 1896-97 according to the civil budget estimate for that year on account of salaries, establishments and contingencies excluding charges on licensees' works	25,03,000	10,51,260	14,51,740
Add—			
Petty construction for licensees	78,000	..	78,000
Orissa	1,44,000	..	1,44,000
Salt purchase and freight—			
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Orissa	53,000	..	53,000
Total	33,83,000	10,51,260	23,31,740
In round figures	33,83,000	10,51,000	23,32,000
		10,01,000	23,82,000
As per memorandum in Government of India letter		7,78,000	26,05,000
Do. civil budget estimate for 1896-97			

Exd. P. Seetharam.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

Copy attached.

Read Proceedings of the Board of Revenue (Separate Revenue) dated 4th May 1897, No. 171.

-----:O:-----

Order thereon, No. 3226 M.S.d/28th June 1897.

The Government agrees with the Board of Revenue in considering that the method of distribution between "Salt" and "Excise" of the total charges of the combined Madras Salt and Abkari Department suggested by the Government of India is simple and fair to both heads of revenue and may be accordingly be adopted.

2. Ordered that the following letter be despatched to the Government of India.

-----:O:-----

Letter to the Govt. of India, Finance and Commerce Department No. 3226-A dated 28th June 1897.

With reference to Mr. R. M. Dane's letter dated the 13th January 1897 last, No. 190-S-R; I am directed to forward a copy of the marginally noted Proceedings of this Government and to state that the principles which should govern the division of the combined charges of the Madras Salt and Abkari Department enunciated in paras 4 and 5 of the letter from the Government of India referred to above commend themselves to His Excellency the Governor in Council. The expenditure under Salt Purchase and Freight appertain wholly to "Salt" and there is therefore no reason why any portion of it should be debited to "Excise". The proportion of 3 to 2 suggested by the Government of India in which the combined charges should be distributed between "Salt" and "Excise" appears to be on the whole

First

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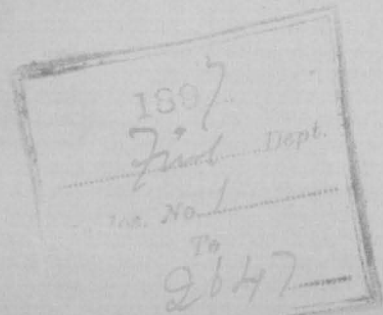
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By

F. 2,900-25-5-97.

16

17



equitable to both heads of revenue and may accordingly be adopted. As pointed out by the Board of Revenue no advantage will be gained by adopting a more elaborate system of division.

(True ^{extract} copies)

(Signed) G. Stokes,
Ag. Secy. to Govt.

(True copies)

G. Stokes

For Ag. Secy. to Govt.

First
Return
Description
Reason

[G. 24.]
1,000-14-6-97.

Financial DEPARTMENT.

Papers to be read in proceedings:---

Paras 11-18 of Appendix B to Letter No. 9057 Int. d. 29.12.96- (2)
Again G.O., No. dated 189 .
Again G.O., No. dated 189 .
Current No. 2647 of 1897, dated 18th August, from the Rev. Dept. (A)
" " " 189 , " " " "
" " " 189 , " " " "

H.M. p.S.

ORDER. W. 800 d. 27th Sep 97

2. The statement appended to this order ^{compare} shows the distribution of the figures of the Budget estimate for the current year under the heads 5 Salt and 7 Excise as shown on page 55 of the Civil Estimates and as now sanctioned

Recorded.

Rev. Dept. *C. S. 14/10/97*
Act. Genl. *De P. 14/10/97*
Bd. of Rev. (S. & I. D.)

Note

In the current year above the Revenue Dept. communicates the orders of the Govt. of India in regard to the future distribution between Salt and Excise of the combined charges of the Salt and Akari Dept.

In the proposals connected with the Prout Contract it was decided to transfer the Orissa charges to the Bengal accounts, and to wholly debit to Salt as well as to Imperial share

BC } Copy to B.E. files 1898-99
Ref } to Cont. Act file

BC Print the Statement as appended to this order. Check it is properly carried

Check 16/9/97
checked 16/9/97

G.O. No. 904-5 Int. d. 29. Dec. 96. Vide

Recd from Ch. House 27/9/97

1897
First issue
2
2647

Charges of Salt Purchase & Freight,
which were previously divided
between Salt and Excise and
Imperial & Provincial.

In January last,
the G. I. further addressed
this Govt. as to the propriety
of the ^{continuing} existing distribution
of the combined charges
between Salt and Excise, which
was fixed in 1891, and
remarked that ^{although} the proportion
then fixed was probably
well suited to the conditions
which existed at the time,
~~but that since then~~ the cir-
cumstances have ^{since then} materially
altered, as the normal increases
which occur in the production
of Salt in factories do not
of necessity require corres-
ponding increases in establish-
ment; while on the other hand
the development in the Madras
Excise revenue in recent years
owing to the extension of the
tree tax system of toddy revenue,
the operation of the "provincial
distillery & free supply"
Country

C. No. 2647. B

L.O. No. 1338 Fint.,
D. 18 Dec. 191.

Country spirit system, and the
reduction in the size (and con-
sequent increase in the number)
of the vend, contract areas, has
involved a large increase in
the strength of the department.
The Government of India therefore
considered that under present
conditions Salt appeared to be
overweighed to some extent by
charges which do not fairly
belong to it and which, or at
least a portion of which, ought
to be debited to Excise. In
addition to the arrangement
of charging all expenditure
on Salt Purchase and Freight to
Salt as well as to Imperial and
continuing to ^{trust} Licensees works
as Provincial ^{as} proposed in the
contract settlement, the Govern-
ment of India suggested that
the charges for the combined
Salt & Excise establishment should
be distributed on the basis of
the revenue realised from each
in the proportion of $\frac{3}{5}$ to Salt
and $\frac{2}{5}$ to Excise, and be taken
in both cases, as before, $\frac{3}{4}$ to
Imperial.

Imperial and 1/4 to Provincial.

The Board of Revenue considered the method of distribution proposed as simple and fair to both heads of revenue, and on this Government consenting to it the Government of India has sanctioned the arrangement.

4. The annexed statement gives in one view the distribution of the budget-estimate figures for the current-year as now sanctioned compared with that shown on page 55 of the Civil Estimate.

Ans
S.B.
27/5/17

First copy sent to Press.

Returned for signature.

Despatched in print.

READ AGAIN G.O., No.
129

DATED

CURRENT No.

As marked

ENCLOSURES TO G. No.

~~Sham proof~~

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