M.R.O. 14—10,000—21-4-22.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 2171 — Press Mis.

308-309

Dated 17 — 11 — 1869.

Not to be folded or roughly handled

No. 308. Read the following letter from F. LUSHINGTON, Esq., Acting Accountant General, to J. D. BOURDILLON, Esq., Secretary to Government, Revenue Department, Fort Saint George, dated 10th October 1860, No. 225:—

SIR,

1. With reference to the Order of Government, No. 1,760, dated 2nd instant, I have the honor to state, that in the correspondence submitted with the Chief Engineer's letter to your address in the Public Works Department, No. 9,678, dated 27th January last (recorded in the Proceedings* of Government in that Department, No. 277, dated 3rd February last), the nature and objects of the "General Education Fund" are explained. In the Order of Government in the Public Department, No. 307, dated 2nd March last, the objects of this Fund were made to include also the adaptation and repair of educational buildings.

* *See also Order of Government in the Public Works Department, No. 366, dated 18th February last, and Circular of the Chief Engineer Department Public Works, No. CCXXV, dated 12th March last.*

2. I have also to point out, that in my letter No. 195, dated 17th ultimo, I inquired whether the funded property of the undermentioned Funds were to be exempt from the operation of the Income Tax Act, viz.:—

1. Saint Mary's Church Fund.
2. Woolley's Bequests to the
   1. Fort School.
   2. Male and Female Civil Orphan Asylums in Black Town and
   3. Bishop Corrie's Grammar School.
3. The Metropolitan Police Superannuation Pension Fund.
4. The Mufassal do. and
5. The General Education Fund.

The Government appear, however, to have understood me as inquiring whether the incomes of the Madras Civil Orphan Asylums and Bishop Corrie's Grammar School are to be exempt, whereas my inquiry was restricted solely to "*Woolley's Bequests*" to those institutions, of the funds of which alone I am charged with the administrations. These Bequests are purely of a charitable nature, being intended to provide gratuitous education to destitute children of European extraction, and hence it is immaterial in which institution, charitable or otherwise, such education is given and paid for out of the Bequest, the character of the Bequest itself, not being *affected* or changed thereby. Under these circumstances it may appear to Government necessary to reconsider their order under notice.

No. 309. ORDER THEREON, 17th November 1860, No. 2,171.

1. In this letter the Accountant General furnishes the information called for in the Order of Government of 2nd October last, No. 1,760, Revenue Department, regarding the "General Education Fund" which Mr. Lushington had proposed should be exempted from the operation of Act XXXII of 1860.

2. On referring to the papers alluded to in paragraph 1 of the letter recorded above, it appears that from the year 1828 to 1858 the late Honorable Court had made an annual grant of Rupees 50,000, for native education. The accumulations from this source, added to a sum of (8) eight lacs of Rupees transferred from the surplus Dévastánam Funds, and amounting at the end of the official year 1854-55 altogether to Rupees (10,61,187) ten lacs, sixty-one thousand, one hundred and eighty-seven, were by order of the Court in 1854, set aside to be charged solely with the cost of educational buildings. In 1855,* ten lacs of this money were invested in non-transferrable Treasury notes. In their Despatch of 1st September No. 47 of 1858, the Court directed that no further additions were henceforth to be made to these accumulations.

* *Extract Minutes Consultation, 9th June 1856, No. 674, P. D.*

3. Such being the nature of the Fund in question, the Governor in Council is pleased to exempt it from taxation under Section 133 of Act XXXII of 1860.

4. The Government learn from paragraph 2 of Mr. Lushington's present letter that they mistook the purport of the inquiry in his letter of the 17th September No. 195. On referring to that letter the Government consider the mistake to be due to want of clearness in the language. No further orders are required, however, on the subject of that inquiry, except the two pension Funds. The Order of October 2nd exempted the whole income of the institutions specified, and of course the funded property belonging to them. The two pension Funds come within a reference lately made to Calcutta, and orders on them will be suspended until the receipt of a reply to that reference.

(Signed) C. G. MASTER,
Deputy Secretary to Government.

M. D.

No. 2171.

Proceedings of the Madras Government
Under date the 17th November 1860.

Read the following letter from the Acting Accountant General.

Explaining with reference to order of Govt. No. 1760 dated 2d Instant the nature and object of the General Education Fund in view to their exemption from the Income Tax act. (Here enter 10th October 1860 No. 225.)

1. In this letter the Accountant General furnishes the information called for in the order of Government of 2d October last No. 1760, Revenue Dept. regarding the "General Education Fund" which Mr. Lushington had proposed should be exempted from the operation of Act XXXII of 1860.

2. On refering to the papers alluded to in para 1 of the letter recorded above it appears that from the year 1828 to 1858 the late Honorable court had made an annual grant of Rupees 50,000 for Native Education. The accumulations from this source added to a sum of (8) eight Lacs of Rupees transferred from the surplus Devastanam Funds, and amounting

at the end of the official year 1854-55 altogether to Rupees (1061187) ten lacs, sixty one thousand, one hundred and eighty seven, were by order of the Court in 1854, set aside to be charged solely with the cost of Educational buildings. In 1856, ten lacs of this money were invested in non-transferrable Treasury notes. In their Despatch of 1st September No. 47 of 1858, the Court directed that no further additions were henceforth to be made to these accumulations.

Ex: M. C. 9th June 1856 No. 674. R.F.

3 Such being the nature of the Fund in question, the Governor in Council is pleased to exempt it from taxation under Sec: 133 of Act XXXII of 1860.

4 In the remainder of his letter Mr Lushington notices a misapprehension of the meaning of his former letter into which he thinks that Government have fallen. If such be the case, the Government must observe that the Accountant General should have been more explicit; a reference to his letter hardly bears out his present interpretation.

The

4 The Government learn from Para 2 of Mr Lushington's present letter that they mistook the purport of the enquiry in his letter of the 17th September No. 195. On referring to that letter the Government consider the mistake to be due to want of clearness in the language. No further orders are required, however, on the subject of that enquiry, except the two pension funds. The order of October 1st exempted the whole income of the Institutions specified and of course the funded property belonging to them. The two pension funds come within a reference lately made to Calcutta, and orders on them will be suspended until the receipt of a reply to that reference.

I am
[signature]

3 Copies
To the Accountant General, Desp. 19

Revenue 1860 Departt
Pro: of Govt for November

No 2171.

Pro: of the Madras
Government

Fr 17th November 1860.

Exempting the Genl
education Fund from
the Income tax.

From the Secy to the Board
Comrs Grammar School
Dy 18 Dec 1860 No 2999

No 308 & 309.

General Education Fund
Mr No 1 Fr 1860 No 46
" 2d Fr " 71-74
Jul 10 Frank " 87
No 2 Extra
" 19-20.

(D)
To be exempted from the Income Tax