MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 1067 Press
~~Mis.~~

180 . 187

Dated 21 . 5 . 1864 .

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 21st May 1861.

No. 180. Read the following Proceedings of the Madras Government in the Financial Department, dated 18th May 1861, No. 248 :—

Forwarding copies of Statement, showing the Local Appropriation of the Estimate of Revenue and Expenditure of India for the year 1861-62, *received from the Government of India with a letter on the subject of Civil Budget.* (Vide Financial Proceedings, 18th May 1861, Nos. 33, 34.)

No. 181. ORDER THEREON, 21st May 1861, No. 1,067.

Ordered to be communicated to the Board of Revenue for information.

(Signed) J. D. SIM,

Secretary to Government.

FINANCIAL DEPARTMENT.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

Read the following letter from C. H. LUSHINGTON, Esq., Secretary to the Government of India, Financial Department, to the Chief Secretary to Government, Madras, dated Fort William, Council Chamber, the 1st May 1861, No. 5,240.

Financial Department.

I am directed to forward for the information of the Governor in Council, a copy of the Statement noted in the margin,* shewing the estimated Revenue and Expenditure of India in 1861-62, and the sums which have been passed under each head of Service for the several Governments and Administrations.

*Statement shewing the Local Appropriation of the Estimate of Revenue and Expenditure of India for the year 1861-62.

2. The delay which inevitably occurred in sending in the first Civil Budget under the new system, left no time for a close investigation of the details of the numerous Estimates, or a settlement by correspondence with the local Governments of the many points which appeared doubtful; and under these circumstances, the Governor General in Council was placed in the alternative either of postponing any decision on the Estimates until after the 1st instant; of making arbitrary reductions on inconclusive data; or of adopting the Estimates as sent in, (with the exception of any points which have been corrected by subsequent correspondence) as a provisional measure, and subject to such reductions as a more mature consideration might shew to be possible.

3. The first course was obviously impossible, as it was indispensable to settle the General Budget and the Financial measures for the year 1861-62, before its commencement, and the greatest inconvenience would have ensued if the year had been suffered to commence without any definite Estimates of detailed expenditure for the guidance of local Officers having been arrived at.

4. The second course might have been adopted with the possible advantage of limiting expenditure and enforcing economy in certain cases; but the Governor General in Council considers it of the first importance, that under the new system, Estimates should in all cases represent *facts* deliberately adopted by those who are responsible for them, and not *opinions* however plausible and apparently well founded, and although in the case of Army, Navy, and Public Works Budgets, the means of decision rest with the Supreme Government sufficiently to enable the Governor General in Council to settle the final Estimates for each Service, to attempt to do so in detail in the case of the Civil Estimates, without full previous communication with the local Governments, would be, in effect, to take the Civil administration to a great extent out of the hands of those properly responsible for it.

5. It has been considered better, therefore, not to alter any figure of such Civil Estimates sent in by responsible authority, unless orders have been actually passed, or measures taken which warrant a reduction. A Statement shewing these alterations will hereafter be forwarded to you in the form of the X. Y. Z. Statements in the Budget returns. But the mere fact of alterations not having as yet been made under any head of Service is not to be taken as a conclusive sanction of the sums now passed in all cases. It is conclusive that the sums thus sent in by the local authorities as sufficient for their wants for the year, are in no case to be *exceeded*, without a special supplemental Estimate recommended by the local Government, and sanctioned by the Supreme Government—a sanction which will not be given unless upon the most conclusive grounds.

6. But upon all points to which the Supreme Government has raised objections, and which are still the subject of correspondence, or upon any other points on which, with further experience and information, the local Government may be able to suggest, or the Supreme Government may see its way to enforce, measures of economy, reductions corresponding to the orders passed will, from time to time, be made in the sanctioned Estimates, and be duly communicated to the responsible officers. You will, however, distinctly understand that in no case will arbitrary reductions be made, and that the Budgets now adopted will be considered as final, subject only to such definite orders as may be passed on certain points after due deliberation.

ORDER THEREON, 18th May 1861, No. 248.

Ordered that copies of the Statements received with this letter, be furnished to the Revenue and Public Works Departments, and to the Accountant General.

(True Extract.)

Chief Secretary.

To the Revenue Department,
" Public Works Dept., } with Statement,
" Accountant General,

In four copies

Exd. F. Cartledge.

Recd 18th May 1867
Secretary's
Proc: of Govt for May.
No 1193.

Copies of the
Warrants for in the
Financial Statt
Dated 18th May
Recd 20th 1867.
No 248

The within mentioned
Statement has not
been received
From Do dd 15th June 1867
Cipher 1425 in Pro 18th Inst No 1215
Forwarding Copies of State-
ments, Shewing the Local
Appropriation of the Natural
Revenue and expenditure
of India for the year 1861-1862
Received from the Govt
of India with a letter on
the subject of Canal
Navigation.

No 1067. 21st May.
Withdrawn Order

No 1067.

Ordered to be communi-
cated to the Board of
Revenue for information.

Fort St Geo:
21st May 1867

I. D. L

6 Copies
1/

The Board of Revenue Cipher 21

The statement will be sent
hereafter

No 180 & 181.