M.R.O. 14—10,000—21-4-32.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 1967 Press ~~Mis.~~

150-51

Dated 11- 10- 1861.

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 11th October 1861.

No. 150. Read the following letter from F. LUSHINGTON, Esq., Acting Accountant General, to J. D. SIM, Esq., Secretary to Government, Revenue Department, dated Fort Saint George, 11th September 1861, No. 142:—

SIR,

1. With reference to the Order of Government No. 1,762, dated 4th instant, directing the submission of a revised return in lieu of that forwarded with letter from this Office, No. 117, dated 26th August 1861, on account of 1 per cent. Income Tax realized from 1st August 1860 to 31st July 1861, I beg to state, for the information of Government, that this Office is unable to render the statement in the form required by the Government of India, in their order No. 6,993, dated 10th June 1861, as the Treasury accounts furnished to this Office do not separately show the collections made under each of the Schedules Nos. 1, 2, 3 and 4 of the Income Tax.

2. The collections under different Schedules were distinctly shown in the accounts for some months after the Act came into operation; but, under a Notification of the Accountant General to the Government of India, dated 7th March last, Treasury Officers were directed to exhibit in the accounts until further orders, the collections made under Schedules Nos. 1, 2, 3 and 4 in the form of entry as per margin, which was stated to be sufficient.

2 per cent.
3 per cent.
1 per cent.
Fines, Forfeitures and Penalties.

3. As to the difference found to exist between the collections realized by Collectors as shown in the statement rendered by the Board of Revenue and that submitted by this Office, I beg to state that it is not in my power to afford any explanation as to the cause of it. The statement from this office exhibits the sums actually collected and credited in the Treasury accounts, with the exception of the items inserted in red ink which, for reasons given in letter from this office, No. 117, dated 26th ultimo, were assumed on an average of the preceding months' collections.

Ordered that the following letter be despatched.

No. 151. From J. D. SIM, Esq., Secretary to the Government of Fort Saint George, to the Secretary to the Government of India, dated 11th October 1861, No. 1,967.

SIR,

1. In continuation of my letter, dated 6th ultimo, No. 1,767, I am directed to state that the Accountant General has reported his inability to furnish a return of the Income Tax collections for reproductive Public Works, in the form required by the Supreme Government. He explains that for some months after the Income Tax Act came into operation, the collections under each Schedule were separately shown, but that since March last the amount realized at each rate of the tax has alone been exhibited, under instructions from the Accountant General to the Government of India.

2. Under these circumstances this Government cannot at present comply more exactly than they have done with the requisition of the Supreme Government.

3. As regards the appropriation of the proceeds of the 1 per cent. tax, I am directed to explain that the Public Works Budget was framed quite independent of any accession of funds from this source. This was mentioned in Mr. Bourdillon's letter of 9th April last, when further instructions were requested on the subject; but no reply has yet been received to this reference.

4. The collections in the Presidency Town amount to about Rupees 40,000. This sum, this Government would expend mainly on a bridge across the Cooum river, on the Southern Beach road. Such a work would be a great public convenience, and would secure throughout the year the communication, now periodically interrupted, between the Fort, the public and mercantile Offices and Royapurum, which all lie to the north of the Cooum and the populous quarters of Triplicane, Saint Thomé, &c., south of that river. The surplus, after building the bridge, the

Government would expend in roads from the sea into some of the most dense and ill-ventilated parts of the Town, and in other similar works affecting the welfare of the community generally. The 192nd Section of the Act does not seem to contemplate the expenditure of the receipts in the Presidency Towns on works of a reproductive character: those suggested by this Government are of undoubted public utility.

5. The receipts referred to in the 193rd Section of the Act, amount to about Rupees 1,45,000. These the Government would devote exclusively to the vigorous prosecution of the subsidiary works of the great Anicuts. Considerable sums have been sunk on these Anicuts, from which but a partial return is realized in consequence of the necessary channels, &c., not being completed. From the scanty funds at their disposal Government have not the means of pushing on these works as rapidly as true economy dictates, and the addition this year and next of some 3 lacs to the ordinary resources of the Presidency would be most acceptable. These works would be highly remunerative.

6. The collections coming under Section 194, amount in the aggregate to Rupees 1,80,000; but the largest sum collected in any District is only 18,000 Rupees. With such limited means of course no large work can be undertaken, and the Government request therefore that the application of this sum may be left to their discretion, the terms of the Law being duly observed.

7. I am directed to request that the early sanction of the Supreme Government may be accorded to the appropriation of the sums actually collected, between 30th August 1860 and 1st July 1861, to the projects above noted. The first year of the Income Tax has passed, and it is most desirable that measures should be adopted without delay to fulfil the pledge held out to the people, that this portion of their contributions would be devoted to works of public utility.

h Subscriber for a distinct kind that
we have only sanction for the Expen-
diture - h prompt application for
fresh monies being a matter nearly
affecting the honor of Govt -

4/10/61

JP

Memorandum

Notice - It is
not intended
that a separate
Vote be taken
for the Pen-
sion Bill

The Accountant
General has reported that
from 1 Augt 1860 to 31 July 61
the proceeds of the 1 per
cent Income Tax levied
for Public Works
amount altogether to
Rupees 3,67,567 - There
is a considerable difference
between his figures and
those of the Collectors
owing — probably to the
latter including —
items in their returns
which belong to the
head of Salaries -
Govt loans &c -

The

The question for consideration is the best mode of applying this large sum - which forms no part of the Public Works budget.

This part of the law will be in force, at least for this year also, and therefore the sum available may be taken at seven lacs in round numbers - i.e. in Madras for instance we have this year Rs 40,000 but as work which will cost 60,000 may be undertaken, as next year we shall have the means of completing it.

The part of the act applicable to this test is Part XVIII.

Section 192 prescribes a separate account of the 1/per cent assessed on persons living in the Presidency towns what the object of this separate account may be is not stated - perhaps it was thought that the more enlightened and independent class

class residing in these towns would clamour, if faith was not strictly kept with them, in the appropriation of their payments. However this may be the Madras Commissioners have collected Rupees 40,021- what further sums may have been realized by the Ex-officio Collectors on Promissory Notes &c. cannot be discovered as the payers have not been classified. I beg orders as to the mode

- First catch your hare, is a sound maxim - has any reply come from Calcutta to my letter of 9 April/61 No 715-?

Ellt

From the last Para of this Secn. I see that no answer has come

Ellt

mode in which the Govt. would propose to lay out this money - The important works in Madras are, the Junction Canal and the Drainage and water supply - but the money available would go but a short way towards either of these. A bridge over the Coum at the Marine villa would be a great convenience to the European community - the People's Park needs funds - several of the bridges out of Black town would be the better of widening -

Probably

the European Inhabitants would be willing to subscribe a liberal sum - I should prefer this work - it can be done for Lakh Rupees

Probably the most gene-
-rally useful way of
spending the money
would be on works
affecting the general
health - for instance
opening out streets lead-
-ing to the sea so as
to admit the breeze
into the heart of
the town and other
improvements of a
similar nature, which
the Municipal Com-
=missioners could
suggest -

Section

The bridge at the Marine
Parade & the Pebble Park might be
done at the same time & all charged
to the Loan -

Ellen

Section 193 of the
Act prescribes a separate
account of the duties
levied on dividends. Go-
-vernment loans - sala-
-ries, Railway and other
shares. These are
levied by the Sp. Officers
Collectors - amounts
to Rupees 1,05,230 - and
are to be ~~laid out~~ on
roads, Canals or other
reproductive public
works which have
been duly sanctioned"
I am not aware of any
more profitable mode
of investment than
the completion of the
subsidiary works &
improvements. For
instance

"appropriation to
different ports of India,
to the applied amount
to their discretion for
the execution of

mentioned the "Palaur
Connicut project" on
North Circot and
Madras figures in
the Budget are likely
to cost something
more than 8 lacs -
the Budget allotment
for this year is Rupees
30,000. So with the
other Amounts ca-
pital has been sunk
and remains to a
varying extent less
productive than it
might be. I do not
think this money
could be better
spent than in
supplementing

supplementing the Budget allot-
ments of this year on these
great works.

The last item (Section 194)
of this tax is Rupees 182,000 to be
realised by the Collectors. This
money must be spent on the
same class of works as the
preceding but with the additional
proviso that the expenditure
in each District shall be in
proportion to its contributions.
The sums realised vary in each
District but are not large in
any - probably improvement
of the Roads would be as good
a way of laying out the money
as any. In the Cotton district
especially such an expenditure
would be very useful now-
and so also where Railways
have been opened, feeders
would add considerably to
the traffic. In the Godavery
perhaps the money might be
applied to improving the harbour.

So

So far back as April last this Govt sought instructions from Bengal as to the modes in which this money was to be spent - but no reply was ever received.

J. D.S

Note. II.

I beg to Explain that this Memo: was prepared in consequence of the Govt. of India having enquired how this Govt. would propose to Expend the Money.

It is quite possible that we may really never get the Money - it may be deducted from the Budget or taken in diminution of our share of Mr. Laing's deficiency - but the public will certainly regard this as a breach of faith and it seems better to leave any such arrangement or overture to the Supreme Govt. and deal with their question as it stands.

I. D.S

C 18. d. 11. 20th

Memo

Respecting the disposal of the 1 per cent Income Tax for P. Works

Part of the Duty of the Govt of India

Stand

4 Copies Disp. 11
Dup. Copy Disp. 30

Revenue Dept

No. 1967

To

The Secretary to the
Govt of India,

Sir,

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=lated parts of the
Town and in other
similar works affecting
the welfare of the com=
=munity generally - The
192d Section of the
Act does not seem to
contemplate the expendi=
=ture of the receipts in the

Presidency

towns in works of a repro-
-ductive character - those
suggested by this Committee are
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will

Rte. They order again on the application for the money. The Act requires that it be expended on reproductive works. Would its outlay in the improvement of Towns come within this? I thought at first of suggesting the Act as a precaution for introducing municipal arrangement but the

X 7

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I. W. S

Josh. G. George
11th October 1861

Relating to Income Tax collections &c. re-productive Public Works. —

Revenue 1861 Departt.
Pro. of Govt for October.

34-35
2-9-61

№ 1967

To the Secretary to the Government of India.
Dt 11th October 1861.

Letter to the Government of India on the subject of the Return of the Income Tax Collections for reproductive Public Works, called for by them -

№ 150 & 151.

C. Lock 869