M.R.O. 14—10,000—21-4-22.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 15-66 Press / Mis.

279-280

Dated 21-7-1862.

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 21st July 1862.

No. 279. Read the following Proceedings of the Madras Government in the Financial Department, dated 19th July 1862, No. 530:—

Communicating a letter from the Government of India, passing orders on the Budget for 1862-63, and observing that the revised estimate with respect to the Income Tax and Customs Revenue required by the Government of India will be called for in the Revenue Department.

(Vide Financial Proceedings, 19th July 1862, Nos. 63, 64.)

No. 280. ORDER THEREON, 21st July 1862, No. 1,566.

1. Ordered to be communicated to the Board of Revenue for their information and guidance.

2. The Board will be requested to submit at an early date the revised estimates of receipts and charges under "Income Tax" and of receipts under "Customs Revenue," called for in paragraphs 6 and 7 of the letter from the Government of India. The Board's recent report on the extent to which the establishments can be reduced in consequence of the abolition of the 2 per cent. tax, has been disposed of in an Order of this day's date No. 1,563.

3. Under the circumstances stated in paragraphs 35 to 37 of the letter from the Government of India, the Governor in Council dispenses with the revised form of the Budget called for in paragraph 9 of the Order dated 24th January 1862, No. 103.

(Signed) A. J. ARBUTHNOT,
Acting Chief Secretary.

FINANCIAL DEPARTMENT.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

Read the following letter from the Secretary to the Government of India, Financial Department.

(Here enter 21st June 1862, No. 4,089.)

ORDER THEREON, 19th July 1862, No. 530.

Resolved, that a copy of the foregoing letter be furnished to the Deputy Auditor and Accountant General, and that he be requested to communicate to the several Heads of Departments and Officers concerned, the sanction of the Government of India to the grants admitted in the Budget Estimate for 1862-63.

2. Ordered also that a copy be furnished to the Civil Paymaster, and to the Departments noted below, in view to the issue of such orders as may be necessary in reference to the remarks of the Government of India on the items of revenue and expenditure respectively relating to those Departments.

3. The revised Estimates required in paragraphs 6 and 7, with respect to the Income Tax and Customs Revenue, will be called for in the Revenue Department, and after being there examined and passed, will be forwarded to this Department for transmission to the Government of India.

4. The explanation required in paragraph 22 in regard to the 3rd item, viz., "Translators," will be furnished by the Accountant General, who will call upon the Officers concerned for fuller information respecting the increase noticed. With respect to the 1st item, "Establishment of Government Houses," it is observed that the excess is nominal, the amount estimated in 1861-62 for new Furniture having been entered in "Civil Contingencies." Explanation regarding the 2nd item will be furnished by the Public Department.

5. The remarks of the Government of India in paragraphs 35 to 37 of their letter will be considered in the Revenue Department, in reference to the Proceedings in that Department, dated the 24th January 1862, No. 103.

6. The Governor in Council will pass orders hereafter on the point noticed in paragraphs 38 to 40, viz., the date fixed in the Proceedings of Government, under date the 15th April last, for the submission of the Budget Estimates to Government.

(True Extract.)

G. J. Cockburn

Acting Chief Secretary.

To the Deputy Auditor and Accountant General.
" Civil Paymaster
" Revenue Department.
" Judicial do.
" Public do.
" Public Works do.

Exd. F. Cartledge.

From the Honorable E. DRUMMOND, Secretary to the Government of India, Financial Department; to A. J. ARBUTHNOT, Esq., Acting Chief Secretary to the Government of Fort Saint George, dated Fort William, the 21st June 1862, No. 4,089.

Financial Department.

* No. 120, dated 8th February 1862.
„ 161, „ 21st idem.

I am directed to acknowledge the receipt of your letters noted in the margin* with enclosures regarding the Budget Estimates of Revenues and Expenditure of the Madras Presidency for the current year 1862-63.

2. On an inspection of the details of the Estimates, His Excellency the Governor General in Council is satisfied that they have been well drawn up and carefully revised by the Government of Madras to whom he accordingly tenders his acknowledgments. His Excellency in Council remarks however that in the note to paragraph 2 of letter of the Madras Government, No. 161, dated 21st February, commenting upon these Estimates, it is observed that while the receipts and charges of North Canara (now transferred to Bombay) are excluded from the Estimate of 1862-63, they are included in the Estimate of 1861-62; as this affects all the comparisons made by the Madras Government, it is to be regretted that the necessary correction was not made in the first instance. The same remark applies to the comparison of the Estimate of 1862-63, with the actual of 1860-61.

	Revenues. Rupees.	Charges. Rupees.
1861-62	6,32,29,803	3,02,50,006
1862-63	6,55,70,182	3,11,55,064
Increase	23,40,379	9,05,058
	9,05,058	
Net probable improvement	14,35,321	

3. The true comparative result as exhibited in these Returns is a probable improvement of Rupees 14,35,321 in 1862-63, over the past year 1861-62 as shewn in the margin.

4. The Estimates of Revenues and charges for 1862-63, as revised by the Madras Government stand as follow:

	Revenues.			Charges.	
I	Land Revenue, &c.	4,27,47,388	A	Allowances, refunds and drawbacks	4,40,778
II	Assessed Taxes	39,83,591	B. I	1 Land (Revenue)	50,02,610
III	Customs	24,48,724		2 Assessed Taxes	1,78,720
IV	Salt	84,23,745		3 Customs	1,90,261
VI	Stamps	20,76,170		4 Salt	17,94,501
IX	Law and Justice	4,90,807		6 Stamps	97,707
X	Police	39,850		9 Superannuations	2,00,651
XI	Mint	7,15,000		10 Miscellaneous	1,64,950
XII	Marine	35,300	II	Allowances and Assignments under Treaties, &c.	41,49,286
XIII	Public Works	7,36,987	E.	Works of Internal Improvement	54,955
XIV	Tributes and Contributions	34,46,430	F. II	Salaries and Expenses of Public Departments	20,19,356
XV	Miscellaneous	4,03,190	III	Law and Justice	38,88,666
XVI*a*	Interest	23,000	IV	Police	37,97,031
			V	Education, Science and Art.	8,05,562
			VI	Political Agencies, &c.	1,29,003
			VII	Superannuation and retired allowances, &c.	17,44,919
			VIII	Marine	2,40,589
			IX	Miscellaneous	10,13,937
			X	Civil Contingencies	72,905
			G. I	Interest	49,65,780
				Stores from England	2,02,897
	Total Rupees	6,55,70,182		Total Rupees	3,11,55,064

A

5. First as respects the Revenues, The Estimate of Rupees 4,27,47,388, under I, Land Revenue, &c., consists of:

Land Revenue...	Rupees	3,89,06,858
Sayer...	,,	4,35,598
Abkarree...	,,	34,04,932
	Rupees...	4,27,47,388

The last item *Abkarree* does not require any remark except that the amount has been taken in this Office in round numbers at 34,05,000, but the first two items aggregating Rs. 3,93,42,456, are open to some correction. The Estimate for 1861-62 exclusive of North Canara, was Rupees 3,96,69,700, but the actual receipts including arrears appear to have amounted to Rs. 4,03,53,246. The present Estimate therefore is 10 lacs less than the actual realizations of the past year, owing probably to the exclusion of arrears therefrom. But looking to the average receipts of the last three years the amount has been fixed in this Office at Rupees 4,01,04,000, viz., Land Revenue 4,00,00,000, and Sayer 4,04,000, which with Abkarree, 34,05,000 = 4,38,09,000.

6. The Estimate of assessed taxes consists of:

Income Tax.....	Rupees	23,59,278
License Tax.....	,,	16,24,313
	Rupees	39,83,591

The License Tax having been abolished under Orders of this Government, dated 21th February last, the amount has been struck out of the Estimate; but with respect to the Income Tax it is to be remarked that by the recent exemption of incomes under Rupees 500 per annum, the Estimate requires modification, and the Governor General in Council directs the submission of a revised Estimate of both receipts and charges under this head. A lump sum of Rupees 1,58,31,000 under receipts and of Rupees 6,00,000 under expenditure has been assumed in the General Estimate of this Department as likely to be received and disbursed on account of the Income Tax throughout India, after making the necessary allowances for the exemption from duty of incomes below Rupees 500 a year. The amounts under this head on either side must remain unsettled until the revised Estimate above referred to has been received, meanwhile a sum of Rupees 60,000 has been set down for expenditure.

7. With respect to the Customs Revenue, I am desired to request that you will be good enough to furnish a revised Estimate with reference to the alterations in the Tariff lately sanctioned by Government. The receipts under this head must also await final settlement until after the revised Estimate is received from Madras.

8. Stamp Revenue, estimated at 20,76,170 appearing to yield a larger return with reference to the actual collections in 1861-62 having been upwards of 30 lacs, and to the probable increase of Rupees 3,65,057 estimated for this year, which would make the total probable Revenue 34 lacs, this Department has assumed the amount at 35 lacs.

9. To the Estimate under Law and Justice, Rupees 2,000 having been added on account of the receipts of the Ootacamund Jail, a lump sum of Rupees 4,93,000 has been assumed in this Office.

10. Excluding Rupees 2,99,327 the amount of transfer from local Funds for expenditure on works of internal improvement and Public convenience, the Estimate of Public Works receipts has been assumed at Rupees 4,38,000.

11. The receipts under the other heads do not call for any particular remark except that they have been assumed in round numbers as shewn in the following table of Revenues in this Department.

I.	Land Revenue, &c...		4,38,09,000
II.	Assessed Taxes...		,,
III.	Customs...		,,
IV.	Salt...		84,25,000
VI.	Stamps...		35,00,000
IX.	Law and Justice.....		4,93,000
X.	Police.....		40,000
XI.	Mint...		7,15,000
XII.	Marine...		35,000
XIII.	Public Works...		4,38,000
XIV.	Tributes and Contributions... ...		34,46,000
XV.	Miscellaneous...		6,00,000
XVIa.	Interest...		23,000
	Total Rupees...		

12. With regard to the charges, I am desired to communicate the following observations:—

13. The Estimate of Rupees 4,40,778 under "Allowances, Refunds and Drawbacks" appears to have been over-estimated to the extent of Rupees 1,17,040, the excess over the Estimate of 1861-62 as the actual payments in 1861-62, have been little more than 2½ lacs. As however these charges are involuntary and subject to sufficient independent check before payment, the full estimate has been accepted, after omission of Rupees 11,800 on account of Refunds of duty on Arts, Trades, &c., which will appear as an arrear of 1861-62.

4,40,778
11,800
4,28,978 or in round number 4,29,000.

14. Excluding Rupees 6,333 on account of the items noted in the margin* which have been transferred to F. IX. Miscellaneous, the Estimate under B. I. 1 Land Revenue stands at Rupees 49,96,277 or in round number Rupees 49,96,000 which having been carefully checked by the Madras Government has been adopted in this Office.

* Charges for the purchase of Cloth for Table Covers and Peons' belts for Public Officers... 5,000
Purchase of furniture for Travellers' Bungalows and packing charges.. 1,333
6,333

15. Under the altered circumstances of the Income Tax assessment, the charges for its collection under II, Assessed Taxes, have been reduced to Rupees 60,000 within which limit should be confined, the revised Estimate directed in paragraph 6 of this letter. The charges Rupees 52,544 estimated under this head on account of duty on Arts, Trades and Dealings, have been struck out, that impost having been repealed.

16. Though the Estimate of Rupees 17,94,000 under Salt has been maintained, yet I am desired to point out to you that the actual charges paid in 1861-62, do not seem to have exceeded 11 lacs.

17. Adding 50,000 Rupees on account value of stores from England, the Estimate under Stamps stands at 1,48,000 Rupees which has been taken in this Office.

18. Under E. works of Internal improvement and Public convenience, a sum of Rupees 54,955 has been estimated, viz., Rupees 40,555 for establishments, repairs, &c., of Travellers' Bungalows and Native Choultries, and Rupees 14,400 for establishments, &c., of the Madras Pier.

19. The first item 40,555 has been struck out pending the decision of the Committee which has been appointed under Orders in the Home Department, dated 11th March 1862, in respect to the Department to undertake the control and bear the cost of Dawk Bungalows.

20. The other item 14,400 has been struck out; it will be provided for in the Budget of the Public Works Department.

21. From the Estimate under F. II. Salaries and Expenses of Public Departments Rupees 20,19,356, the charges for equipment allowance, &c., of Volunteer Guards Rupees 24,000 which is

a Military charge, being deducted, as also Mint charges Rupees 2,34,078 which under the present classification form a distinct heading under charges against income being transferred to B. I. 7 Mint, with the addition thereto of Rupees 60,000 on account of Stores from England. the Estimate is reduced to Rupees 17,61,278 to which Rupees 87,897 having been added on account of Stationery stores and portion of Medical and Veterinary stores charged to the Civil Department, which may be imported from England this year, the total amount under F. II, stands at Rupees 18,19,175. This amount however includes some items which require special remark and explanation, and they are :

1. Establishment of Government Houses .. ... Rupees 55,387
2. Rent of the Bishop's-down at Ootacamund .. „ 3,600
3. Translators... ... ... „ 27 972
4. General Pay Office... ... ... „ 45,378

22. The 1st and the 3rd items are in excess of the charges incurred in the past year; and further explanation should, His Excellency in Council directs, be submitted, more especially as the increase to the Establishment of Translators does not seem to have been sanctioned. As regards the 2nd item, explanation should be furnished as to why the charge has been ordered to be incurred, and pending the receipt of explanations these items have been allowed to stand.

23. The 4th item General Pay Office has been struck out altogether, and a fresh charge of Rupees 14,000 entered under Bank of Madras.

24. With this alteration the grant sanctioned under F. II. Salaries and Expenses of Public Departments is Rupees 18,17,797 or in round number 18,18,000 Rupees.

25. Under Law and Justice Rupees 38,88,666 were estimated by the Madras Government which included Rupees 1,96,020 on account of increase to the salaries of the District Moonsiffs of the Madras Presidency. To this amount this Office added Rupees 26,007 on account of expenses of the Ootacamund Jail, and made up the Estimate at 39,15,000.

38,88,663
26,007
39,14,673

26. But as in sanctioning the proposed increase to the salaries of the Moonsiffs and their Establishments, this Government pointed out in addition to the saving of Rupees 54,420 expected by the gradual abolition of 18 Mooftee Sudder Ameens' Courts, the possibility of reductions in the number of Moonsiffs and Native Judges generally, consequent on the establishment of Mofussil Cause Courts under Act 42 of 1860, it was deemed advisable in this Department in framing the General Estimate of the Empire to assume the prospective reductions, in anticipation of which the above proposal was sanctioned, at the sum of one lac and to fix the Madras Estimate at 38,15,000, a sum which His Excellency the Governor General in Council has little doubt will be found to be ample, looking to the fact that the actual expenditure under this head in 1861-62 has not exceeded Rupees 31¼ lacs against an Estimate of Rupees 36¼ lacs or nearly 15 per cent. less.

* B. I. 1 Land Revenue 4th Treasury Guard... Rs 1,06,648
F. III. Law and Justice.

Sheriff's Officer	„	610
Sadder Court	„	2,928
Civil and Sessions Courts	„	27,099
Additional Courts	„	10,001
Other Courts	„	8,468
Temporary Establishments	„	554
Criminal Courts	„	400
4th Treasury Guard	„	26,662
Prisons	„	55,701
		2,39,071
or in round number Rupees		2,39,000

27. In respect to F. IV, Police, I am to inform you that the total amount allowed for Police purposes in the Madras Presidency is Rupees 37 lacs, from which Rupees 2,39,000 on account of Police charges borne by the other Departments of service as noted in the margin* being deducted, the net sum passed under F. IV, is Rupees 31,61,000.

28. Orders in respect to the grant under F. V. Education, Science and Art will hereafter be communicated.

29. As under recent orders the Superannuation Pensions paid in the Revenue Departments are to be exhibited under F. VII, the Estimate under this head Rupees 17,44,919 has been increased by Rupees 2,00,651 transferred from B. I. 9, Superannuations, making the total amount Rupees 19,45,570 to which the sums noticed in the Postscript of your letter No. 161, dated 21st February last, viz:

Annual donation to the Civil Service Annuity Fund from 1st May 1825 1,50,000
Annuities payable in England to the subscribers to the old Civil Service Annuity Fund up to 30th April 1825... 2,03,000
3,53.000

19,45,570
3,53,000
22,98,570 or in round number
22,99,000

being added, the aggregate of the Estimate under F. VII, is Rupees 22,99,000; and this sum has been passed as the limit of expenditure under this head during 1862-63, and includes Rupees 48,000 for the Lawrence Asylum at Ootacamund, viz., Rupees 30,000 for the maintenance of 200 boys and Rupees 18,000 for the support of 100 girls for which no specific sanction has as yet been granted, the proposal being still under consideration.

30. Excluding Rupees 6,72,041 on account of loss by exchange on Railway transactions for which no provision is necessary, the Estimate under F. IX, Miscellaneous, Rupees 10,13,937 is reduced to Rupees 3,41,896; from which again Rupees 25,000 the reserve for unforeseen Contingencies, Rupees 500 charges for supplying carts to Regiments, and Rupees 18,750 compensation to the Bank of Madras having been deducted, Rupees 2,97,646 is arrived at as the Estimate under F. IX; to which Rupees 6,333 on account of the items transferred from B. I. Land Revenue (paragraph 14 of this letter) and Rupees 5,000 on account of Book and other Miscellaneous Stores to be received from England being added in this Office Rupees 3,09,000 have been passed under F. IX.

2,97,646
6,333
5,000
3,08,979 or in round number
3,09,000

31. The reserve of Rupees 50,000 on account of unforeseen charges being excluded, the Estimate under F. X. Civil Contingencies is reduced to Rupees 22,905 or in round number Rupees 23,000.

32. Omitting Rupees 42,29,800 on account of interest on Public Loans, for which full provision has been made in the Budget Estimate of the Government of India, the Estimate under G. I. interest is reduced to Rupees 7,35,980 or in round number Rupees 7,36,000 being on account of interest on Service and other Funds and Local Loans.

33. The remaining heads of charges do not call for any remark except that their figures have been accepted in round numbers as shewn in the following Table fixing the limit of charges in 1862-63.

Class.	Service.	Amount.
		RS.
A.	Allowances, Refunds and Drawbacks...	4,29,000
B.	I 1. Land Revenue	49,96,000
	2. Assessed Taxes	60,000
	3. Customs	1,90,000
	4. Salt	17,94,000
	6. Stamps	1,48,000
	7. Mint	2,94,000
	II Allowances and assignment under Treaties and Engagements	41,49,000
	IV Miscellaneous	1,65,000
F.	II Salaries and Expenses of Public Departments ...	18,18,000
	III Law and Justice...	38,15,000
	IV Police	34,61,000
	V Education, Science and Art...	„ 1,29,000
	VI Political Agencies, &c.	22,99,000
	VII Superannuation, &c.	2,41,000
	VIII Marine	3,09,000
	IX Miscellaneous....	23,000
	X Civil Contingencies.....	7,36,000
G.	I. Interest	
	Total.....	

31. I am further directed to convey to you the following Orders of His Excellency the Governor General in Council in respect to the four points raised in the letters under acknowledgment.

32. With respect to the 1st, details of Sayer Revenue, the Government of Madras in their Proceedings of the 24th January last, No. 103, paragraph 9, remark that the new Form of Budget Estimates enters into a variety of details quite unnecessary for imperial purposes; for instance, the head *Sayer* contains 30 different items, half of which have no existence in that Presidency; others produce but a few Rupees and the remainder are included in Land Revenue. Considering that such petty details are worse than useless, the Government of Madras requested the Board of Revenue to submit revised Form containing only the heads worth retaining, such for instance, as Pearl Fishery, Forest Revenue and the like, in order to obtain the Orders of this Government thereon.

33. No separate reference having yet been received, I am desired to avail myself of this opportunity to inform you that alterations in the existing Forms of Budget Estimates are not at present desirable. Details for their own sake may not be absolutely necessary in the Imperial Budget, but they have this advantage that they shew how general results have been arrived at and prove that Budget Rules have been adhered to; while many references in doubtful cases are thereby rendered unnecessary.

34. As respects the numerous entries under Sayer which have no existence at Madras, the Governor General in Council remarks that the forms of return are uniform for all Presidencies and must therefore include all the various denominations of receipt throughout the Empire. The printing of a few extra items is but a trifling inconvenience, their remaining blank shews that there are no such receipts, while it secures against erroneous inclusion under other heads, in cases where they do exist; and moreover His Excellency in Council thinks it would not be safe at present to make any alterations, but hereafter when the system is fully developed and thoroughly understood, it may be proper to dispense with some of the existing checks, which, except to those who have to consolidate and check the general returns, may perhaps appear needlessly minute.

35. The second point, viz, the period of submission of Budget Estimates raised in paragraphs 28 to 31 of your letter No. 161, dated 21st February last, I am directed to observe that to fix so early a date as the 1st November for the despatch of Budget Estimates of the several Departments and heads of Offices, is in fact to prescribe the preparation of the Estimate by the Local Officers some time in September, that is eight months before the commencement of the period to which it refers; and that in September, almost throughout India, it is most difficult to determine the results of the current or to foresee the probable character of a succeeding official year. By December, however, the available data both for the current and the succeeding year are much more reliable; the produce of the rice crops and the prospects of the cold weather crops can be ascertained with tolerable accuracy. It was therefore thought better to curtail as much as possible the time allowed for consolidation and revision; and it was hoped that by insisting upon a strict observance of the rule that no new expenditure which have not already received the sanction of Government or been submitted for that purpose should be admitted into the Budget, the time allowed for revision, short as it undoubtedly is, would be found sufficient for the purpose.

36. His Excellency in Council further observes that on the first introduction of a system so novel as that of a detailed Budget for all India on a uniform plan, great difficulties had necessarily to be overcome and that delays arising from misapprehension of instructions and from the entire absence of trained machinery could not but be anticipated: His Excellency however hopes, that as the several Offices become better acquainted with the mode of preparing the Estimates, it may fairly be expected that a shorter time will suffice for the business of check and revision.

40. There are no doubt many items of charge which may as a rule be as correctly estimated a year before the commencement of a year as three or four; but this does not [illegible] Revenue which may be largely affected by accidents of season or other

X Y Z.

GOVERNMENT OF MADRAS.

General Abstract of Expenditure, for the year ending 30th April 1863.

Number of Grant.	Service.	Local Estimate.	Sanctioned by the Government of India.	Items for disbursement in Madras.	Items for adjustment elsewhere or hereafter.
	A.				
	Allowances, Refunds and Drawback.				
1	Refunds.....	3,79,728	3,68,000	3,68,000	
2	Drawback.....	61,050	61,000	61,000	
		4,40,778	4,29,000	4,29,000	
	B.				
	Charges against Income.				
	I.—*Revenue Department.*				
	I.				
	1.—*Land Revenue.*				
1	Board of Revenue.....	2,43,766	2,37,000	2,37,000	
2	Collectors, including Sub-Collectors and Assistant Collectors.....	29,64,042	29,64,000	29,64,000	
3	Settlement Officers.....	7,40,267	7,40,000	7,40,000	
4	Revenue Survey...	5,39,886	5,40,000	5,40,000	
5	Sayer.....	2,89,996	2,90,000	2,90,000	
6	Abkarry.....	2,24,653	2,25,000	2,25,000	
		50,02,610	49,96,000	49,96,000	
	2.—*Assessed Taxes.*				
1	Income Tax.....	1,26,176	60,000	60,000	
	Duty on Arts, Trades, &c.....	52,544	.....	.....	
		1,78,720	60,000	60,000	
	3.—*Customs.*				
	Collectors' Salaries, Establishments, and Contingencies, &c.....	1,84,023	1,84,000	1,84,000	
	Reporter of External Commerce...	6,238	6,000	6,000	
		1,90,261	1,90,000	1,90,000	

circumstances between September and January ; and if the Estimates are required as proposed so early as November it would, His Excellency in Council thinks, be necessary to require additional reports from the local Officers in January if sufficient data are not otherwise available in the Government or the Accountant General's Office. In this view the Governor General in Council declines to comply with the proposal of the Madras Government.

41. With reference to the remark contained in paragraphs 38 to 40 of your letter No. 161, dated 21st February last, His Excellency the Governor General in Council disclaims any intention of making such a charge against any local Government as that inferred by the Madras Government from the Resolution of this Department dated the 18th September last, No. 12,262 ; but observes that on the first introduction of such a system as that of the Budget, many checks and restrictions have necessarily been adopted which may appear needless but are nevertheless very requisite for the guidance of local Officers and as a means of strengthening the hands of the local Governments (which have not hitherto as a rule devoted much attention to matters of Finance) in dealing with irregular or extravagant propositions of local Officers.

42. With respect to the 4th question raised in paragraph 41, of the letter of 21st February last of the latitude to be allowed to local Governments in dealing with Budget grants, I am directed to observe that it has been definitively settled by Resolution of 15th November 1860, and that this Government is not prepared to enlarge those powers at present. The desire however that they should be acted on in a liberal spirit has been frequently explained ; but until the Budget system is thoroughly understood and its rules are scrupulously adhered to, it would, His Excellency in Council observes, be manifestly unsafe to forego that degree of contro which is essential to the maintenance of its principles and to the uniformity of its action.

43. His Excellency in Council however directs that when once the Budget Estimates have been passed, special applications to this Government for sanction of alterations within prescribed limits and of fresh charges on account of salaries and establishments, and contingencies, which may be met from Budget grants, shall not be necessary, and shall be superseded by a monthly return of all such alterations and charges to be transmitted by the Local Government on the 1st of the month following that in which they may have been sanctioned ; and by similar return from the Civil Paymaster which will be sent to this Department through the Deputy Auditor and Accountant General with two additional columns of remarks in which it will be the duty of the Civil Paymaster and Deputy Auditor and Accountant General to notice any deviation from prescribed rules which may appear to require the notice of this Government.

44. Annexed is the usual X. Y. Z. Statement completed so far as it is in the power of the Financial Department to render it. The amount sanctioned under Post Office, Telegraph, Army and Public Works will be duly communicated through other Departments. The items under Education, Science and Art are still under consideration in the Home Department.

General Abstract of Expenditure, for the year ending 30th April 1863.

Number of Grant.	Service.	Local Estimate.	Sanctioned by the Government of India.	Items for disbursement in Madras.	Items for adjustment elsewhere or hereafter.
	4.—*Salt.*				
1	Charges for the provision of Salt.....	15,54,179	15,54,000	15,54,000	
2	Salaries, Establishments, &c.....	2,40,322	2,40,000	2,40,000	
		17,94,501	17,94,000	17,94,000	
	5.—*Opium.*				
	Nil.				
	6.—*Stamps.*				
1	Salaries, Establishments, &c.....	1,47,707	1,48,000	98,000	50,000
	7.—*Mint.*				
	Salaries, Establishments, &c.....	2,94,078	2,94,000	2,34,000	60,000
	8.—*Post Office.*				
	Nil.				
	9.—*Electric Telegraph.*				
	Nil.				
	II.—*Allowances and Assignments under Treaties and Engagements.*				
1	Territorial and Political Pensions.....	26,39,256	26,39,000	26,39,000	
2	Compensation.....	5,250	5,000	5,000	
3	Miscellaneous.....	15,04,780	15,05,000	15,05,000	
		41,49,286	41,49,000	41,49,000	
	III.—*Allowances to District Village Officers, &c.*				
	Nil.				
1	IV.—*Miscellaneous*...	1,64,950	1,65,000	1,65,000	
	V.—*Contingencies Special and Temporary.*				
	Nil.				
	Totals of the several Classes.....	.....	...	...	

General Abstract of Expenditure, for the year ending 30th April 1863.

Number of Grant.	Service.	Local Estimate.	Sanctioned by the Government of India.	Items for disbursement in Madras.	Items for adjustment elsewhere or hereafter.
	A	4,40,778	4,29,000	4,29,000	
		50,02,610	49,96,000	49,96,000	
	Section 1	1,78,720	60,000	60,000	
	do. 2	1,90,261	1,90,000	1,90,000	
	do. 3	17,94,561	17,94,000	17,94,000	
	do. 4	...	.....	.....	50,000
Nil.	B I. do. 5	1,47,707	1,48,000	98,000	60,000
1	do. 6	2,94,078	2,94,000	2,31,000	
1	do. 7	.....	.....	.....	
Nil.	do. 8	.....	.....	.....	
Nil.	do. 9	41,49,286	41,49,000	41,49,000	
	B II	.....	.....	.....	
Nil.	B III	1,64,950	1,65,000	1,65,000	
1	B IV	.....	.....	.....	
Nil.	B V	.....	.....	.....	1,10,000
		1,23,62,891	1,22,25,000	1,21,15,000	
	C.				
	ARMY.				
	Nil.				
	D.				
	INDIAN NAVY AND MARINE				
	Nil.				
	E				
	Class I				
	Public Works and Buildings.	54,955			
		...			
	Civil Imperial				
	Military Imperial				
	F				
	CIVIL SERVICE.				
	Class II				
	Salaries and Expenses of Public Departments.	2,56,000	2,56,000	2,56,000	
		91,555	92,000	92,000	
		16,500	17,000	17,000	
1	Local Government	...	...	...	
2	Household of the Local Governor	...	...	...	
3	Madras Council	...	...	...	

General Abstract of Expenditure, for the year ending 30th April 1862.

Number of Grant.	Service.	Local Estimate.	Sanctioned by the Government of India.	Items for disbursement in Madras.	Items for adjustment elsewhere or hereafter.
	Secretariats.				
4	Public Department	11,9,044	1,19,000	1,19,000	
	Public Works Department	22,608	23,000	23,000	
	Military Department	83,517	83,000	83,000	
	Revenue Department	78,292	78,000	78,000	
5	Translators	27,972	28,000	28,000	
6	*Offices of Audit and Account.*				
	Office of Deputy Auditor and Accountant General	1,41,135	1,41,000	1,41,000	
	Loan and Interest Branch	7,872	8,000	8,000	
	Government Savings' Bank	6,956	7,000	7,000	
	General Pay Office	45,378	...	...	
	Bank of Madras	...	14,000	14,000	
7	Civil Paymaster's Office	72,164	72,000	72,000	
8	Currency Department	10,000	10,000	10,000	
9	Barrack Master	2,730	3,000	3,000	
10	Board of Examiners	23,640	24,000	24,000	
11	Stationery	1,09,933	1,10,000	30,000	80,000
12	Ecclesiastical Department	4,59,427	4,59,000	4,59,000	
13	Medical Department	1,04,277	1,04,000	96,000	8,000
14	Printing charges	1,69,895	1,70,000	1,70,000	
	Equipment allowance, &c. of Volunteer Guards	24,000	...	...	
	Total	18,73,175	18,18,000	17,30,000	88,000
	Class III.				
	Law and Justice.				
1	Supreme Court	1,72,911	1,73,000	1,73,000	
2	Insolvent Debtors' Court	3,939	4,000	4,000	
3	Coroner's Court	7,254	7,000	7,000	
4	Law Officers	52,330	52,000	52,000	
5	House of Correction at the Presidency	35,585	36,000	36,000	
6	Justices of the Peace	157	200	200	
7	Administration General	8,400	9,000	9,00	
8	Presidency Court of Small Causes	76,237	76,000	76,000	
9	Sudder Dewanny Huzamut Adawlut	2,66,768	2,66,800	2,66,800	
10	Civil and Sessions Courts	17,80,294	16,80,000	16,80,000	
11	Criminal Courts	8,79,693	8,80,000	8,80,000	
12	*Mofussil Jails.*				
1	Inspection and General Superintendence	40,332	40,000	40,000	
2	Prisons	5,27,399	5,53,000	5,53,000	
3	Advances	16,667	17,000	17,000	
13	Convict Settlements	19,000	19,000	19,000	
14	Miscellaneous	1,700	2,000	2,000	
	Total	38,88,666	38,15,000	38,15,000	

General Abstract of Expenditure, for the year ending 30th April 1863.

Number of Grant.	Service.	Local Estimate.	Sanctioned by the Government of India	Items for disbursement in Madras.	Items for adjustment elsewhere or hereafter.
	CLASS IV.				
	Police.	37,97,031	34,61,000	34,61,000	
	CLASS V.				
	Education, Science and Art.				
	CLASS VI.				
	Political Agencies and other Foreign Services.				
1	Salaries and Allowances	65,583	66,000	66,000	
2	Establishment, &c	47,177	47,000	47,000	
3	Miscellaneous	16,243	16,000	16,000	
	Total...	1,29,003	1,29,000	1,29,000	
	CLASS VII.				
	Superannuation and Retired allowances and Gratuities for Charitable and other purposes.				
	Superannuation and Retired allowances of the Revenue Departments	1,40,151			
	Do. of other Departments	1,32,584			
	Charitable Institutions and Gratuities and Donation for Charitable and other purposes	18,22,835	22,99,000	20,96,000	2,03,000
	Total...	20,95,570	22,99,000	20,96,000	2,03,000
	CLASS VIII.				
	Marine.				
	Marine Superintendent	25,070			
	Master Attendant's Department	27,355			
	Marine Surgeon, &c	2,177			
	Out-Ports	15,184	2,41,000	2,41,000	
	Light Houses	7,134			
	Pensions	2,469			
	Miscellaneous	1,61,200			
	Total	2,40,589	2,41,000	2,41,000	
	CLASS IX.				
1	Miscellaneous	12,21,937	3,09,000	2,99,000	10,000
	CLASS X.				
1	Civil Contingencies	72,905	23,000	23,000	

General Abstract of Expenditure, for the year ending 30th April 1861.

Number of Grant.	Service.	Local Estimate.	Sanctioned by the Government of India.	Items for disbursement in Madras.	Items for adjustment elsewhere or hereafter.
14	Class II	18,73,175	18,18,000	17,30,000	88,000
14	do. III	38,88,666	38,15,000	38,15,000	
	do. IV	37,97,031	34,61,000	34,61,000	
	do. V	8,05,562	...	...	
3	do. VI	1,29,003	1,29,000	1,29,000	
1	do. VII	20,95,570	22,99,000	20,96,000	2,03,000
	do. VIII	2,40,589	2,41,000	2,41,000	
1	do. IX	12,21,937	3,09,000	2,99,000	10,000
1	do. X	72,905	23,000	23,000	
	Total...	1,41,24,438	...	...	
	Recapitulation.				
	A and B	1,23,62,891	1,22,25,000	1,21,15,000	1,10,000
	C				
	D				
	E	54,955			
	F	1,41,24,438			
		2,65,42,284	...	...	
	Interest	7,35,980	7,36,000	7,36,000	
		2,72,78,264	...	..	

(Signed) E. DRUMMOND,
Secretary to the Government of India.

Rev=2068/62

Revenue Department.

No. 1566

Proceedings of the Madras Government

Under date the 21st July 1862

Read the following Proceedings of the Madras Government in the Financial Department

~~Communicating a~~ Letter from the Govt of India ~~passing orders on the~~ Budget for 1862/3 & observing that the revised Estimate with respect to the Income Tax ~~and Customs Revenue~~ required by the Govt of India will be called for in the Revenue Department

(Here date 19th July 1862 No 530)

Ordered to be communicated to the Board of Revenue for their information and guidance.

2. The Board will be requested to submit at an early date the revised

revised Estimates of receipts and charges under "Income Tax" and of receipts under "Customs Revenue" called for in paras 6 and 7 of the letter from the Govt of India - The Board's recent report on the extent to which the Establishments can be reduced, in consequence of the abolition of the 2 per cent tax has been disposed of in an order of this day's date No 1363

3. Under the circumstances stated in paras 35 to 37 of the letter from the Govt of India the Governor in Council dispenses with the revised form of the Budget called for in para 9 of the order dated 24th January 1862 No 103

14 Copies to the Bd of Rev with Dup & Trip 1862 No 580 & an Extract Desp No 25 Ind Exp - Dispt 24th

Revenue 1862 Dep.t
Pro.s of Govt. for July
-to-1566.

Pro: of the Madras Govt.
Dy 21st July/62

further C. No. 2121 of 1864

Pro. of the Bd. of Revn.
Dy 27 Augt/62 C. No. 2452
Pro. Madras Govt on the
Final Dispt. dy 30 Aug. 62
C. No. 2498—ii

Taking orders in Pro.
Fin.l Depart.t communica-
ting Letter from Supreme
Govt. reviewing Budget
for 1862/63 & & calling
for revised Estimates of
Income Tax and Customs
Revenue—

No. 279 & 280.