M.R.O. 14—13,000—27-9-24.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 2616

Press
~~Mis.~~

221 – 22

Dated 15 – 12 – 1962.

Proceedings of the Madras Government, Revenue Department, 15th December 1862.

No. 221. Read again Proceedings of the Board of Revenue, dated 19th November 1862, No. 7,605, and recorded in Proceedings of Government, 27th November 1862, No. 2,496.

Read also the following papers:—

Official Memorandum from the Secretary to the Board of Revenue, to J. D. SIM, Esq., Secretary to Government, Revenue Department, dated Madras, 25th November 1862, No. 912.

1. In reply to the Memorandum from the Secretary to Government in the Revenue Department, dated 22nd instant, No. 208, the undersigned has the honor to state, in regard to the first point, that the estimate of Rupees 99,700 for the item "Sale of Timber of Government Forests" is based upon the Collector's estimates, which in the absence of any other information have been accepted as correct. There is reason to believe that these estimates have been carefully prepared, for it is found that as compared with the actuals of previous years no material difference exists. The receipts for the last three years are given in the margin with the average. The present estimate corresponds with it very nearly. It is not clear under what circumstances the Officiating Conservator of Forests expects the very large revenue for which he has estimated, but if he has included the value of all the timber which may be expected to be cut in the ensuing official year and brought to stock account although a large portion of it may remain unsold at the end of that year, the principle appears incorrect.

	Rs.
Actuals. 1860-61..	99,300
1861-62..	1,33,985
1862-63..	87,800
Total...	3,21,085
Average...	1,07,000

This is inclusive of the amount entered under the item "Produce of Forests" in some Districts.

2. The sum of Rupees 9,200 estimated for Grazing Tax in the Godavery and Kistna Districts is evidently of the nature of the grass rents alluded to in the Board's letter to Government, dated 6th November 1862, No. 7,346, and as the recommendation of the Board has been adopted, the amount must be transferred to the local fund.

3. The large decrease of one lac of Rupees in the Abkarry Revenue of the town of Madras alluded to in paragraphs 19 and 25 of the Board's Proceedings, dated 19th instant, is attributed by the Collector to a falling off in the sales in consequence of the unfavorable state of the season and consequent dearness of necessaries.

4. A Telegram had been already despatched to Tinnevelly for the required information regarding the estimate of Salt Revenue, which will be submitted to Government as soon as received.

(By Order.)

(Signed.) W. HUDLESTON, *Secretary.*

No. 222. From Captain R. H. BEDDOME, Officiating Conservator of Forests, to J. D. SIM, Esq., Secretary to Government, Revenue Department, Fort Saint George, dated Camp Oodumallycottah, 27th November 1862, No. 288.

SIR,

1. In answer to your Official Memorandum of the 20th instant, No. 202, I have the honor to offer the following explanations of the great increase expected in the forest revenue for 1863-64.

KURNOOL.—The Nallamallai forests have been lately handed over to our Department, I confidently expect a revenue of 11,000 Rupees in 1863-64. No amount estimated in former years.

WAINAD [illegible].—As Captain Gib is to give his undivided attention to working these two forests, I have been enabled to estimate the return from the former at 42,000 Rupees and the latter at 30,000, making a total of 72,000. In the former estimates the Wainád receipts were only entered at 5,000: as Captain Gib had to give much of his attention to Mysore, he could not work these forests and only sold dry girdled teak on seigniorage. The Hunsur forests have only just been handed over, so no revenue appeared under this head in former estimates.

NELLUMBUR.—As it is absolutely necessary to fell upwards of a lac of saplings in 1863-64, and as I am perfectly certain that I can sell them at a higher rate than they have hitherto been estimated at, and as more extensive operations in the felling of jungle timbers is contemplated, the estimated revenue of 30,000 Rupees for 1863-64 is probably below what it will prove to be; Rupees 808 only was estimated for 1861-62, and 5,000 for 1862-63.

CUDDAPAH AND NORTH ARCOT—In former estimates only down for a revenue of 5,000 Rupees. North Arcot has been added together with this; better supervision and improved checks against smuggling enable me to expect at least a revenue of 14,000 Rupees.

SOUTH CANARA.—A considerable increase of establishment and larger working charges have been proposed to enable us to work these forests systematically. The Assistant anticipates a revenue of at least 32,400 Rupees. The operations have hitherto been too limited and the check upon smuggling not sufficient. Estimated revenue in former years about 10,000 Rupees only.

SALEM AND SOUTH ARCOT.—South Arcot has been added, the Sandal-wood forests are showing a much larger return than they have hitherto been estimated for. Rupees 50,000 may be looked for as a revenue from these forests. In former years estimates not above 20,000 Rupees.

MUDUMALLAI.—All the timber must be got out of these forests as the lease expires about the end of the official year. The Assistant expects to sell 75,000 Rupees worth. Estimated revenue in former years about 30,000 only.

SIGUR.—Extended operations in the Sandal-wood forests raise the estimated revenue from about 20,000 to 40,000 Rupees.

MADURA.—More systematic operations and an increase in the working charges raise the revenue of this forest to 15,000 Rupees against 6,500 in former years.

2. To obtain the above results there is a considerable increase in the expenditure, for although there is a saving on the Neilgherries (on account of the abolition of a superfluous appointment) of 11,000 Rupees and the Cuddapah establishment is just on a much more economical footing, still the expenditure of the year is estimated at 24,000 Rupees in excess of that of 1862-63.

No. 223. Proceedings of the Board of Revenue, dated 28th November 1862.

Read the following letter from J. SILVER, Esq., Collector of Tinnevelly, to W. HUDLESTON, Esq., Secretary to the Board of Revenue, dated Tinnevelly, 21st November 1862, No. 497.

SIR,

1. With reference to your Telegram of the 19th instant, No. 1, I have the honor to inform you that the estimate of the Salt Revenue for the next official year 1863-64, was framed with reference to the average receipts of the last three years calculated according to the new rate of Rupees 1-8-0 per India Maund and excluding the quantity exported to Canara in those years, under the impression that no exportation will take place in the year under notice.

2. The estimate for the current official year 1862-63, was originally made for Rupees 5,52,428, and afterwards increased to Rupees 6,52,428,* with reference to the rapid sales up to December 1861, but since then, the sales have been falling off. In the *sanctioned* Budget Estimate for 1862-63 only Rupees 5,49,433 are set down.

* Vide Memorandum of alterations sent to the Accountant General on the 6th February 1862.

3. The actual receipts for 1861-62, amounted only to Rupees 5,86,247. The actual receipts for the first half of the current official year 1862-63 amount only to Rupees 2,88,814, or much less than a moiety of the estimated amount, viz., Rupees 6,52,428.

1. Ordered to be submitted for the information of Government, with reference to the Board's Proceedings, dated 19th November 1862, No. 7,605, submitting the Budget Estimate of receipts for 1863-64.

2. Under the circumstances stated by Mr. Silver the Board request that the amount estimated by him for 1863-64, viz., Rupees 5,92,600 be substituted for the increased sum entered by the Board, viz., 6,50,000 and that the total estimate under Salt be reduced so as to correspond.

(A true Copy and Extract.)

(Signed.) W. HUDLESTON, *Secretary.*

No. 224. Official Memorandum from H. A. MANGLES, Esq., Acting Accountant General, to J. D. SIM, Esq., Secretary to Government, Revenue Department, dated Fort Saint George, 5th December 1862, No. 298.

With reference to the Official Memoranda from the Secretary to Government in the Revenue Department, Nos. 207 and 216, dated 22nd ultimo and 3rd instant, the Acting Accountant General has the honor to subjoin a Memorandum, as therein called for, of probable receipts in 1863-64 from stoppages on account of Income Tax from the pay of Public Servants at the Presidency and in the Military Department, and from Interest on Promissory Notes, &c.

Memorandum.

	RS.
Probable Collections of Income Tax in 1863-64 at the Presidency..	2,67,021
Do. in the Military Department.....	2,31,650
	4,98,671

No. 225. Official Memorandum from Secretary to the Board of Revenue, to J. D. SIM, Esq., Secretary to Government, Revenue Department, dated Madras, 5th December 1862, No. 938.

Subsequently to the submission to Government of the Budget Estimate of revenues and receipts for 1863-64, the Collector of Tinnevelly reported that there is no prospect of a Pearl Fishery taking place in 1862-63 as had been previously anticipated. The Secretary to the Board of Revenue has the honor therefore to request that the sum of Rupees 24,000 passed in the Budget Estimate of receipts for 1862-63 may be struck out of the Comparative Budget intended for the Accountant General and the sum of Rupees 80,000 entered for 1863-64 both in this and in the Abstract Estimate as in that year there may probably be a small Fishery.

(By Order,)

(Signed.) W. HUDLESTON, *Secretary.*

No. 226. ORDER THEREON, 15th December 1862, No. 2,616.

1. With their Proceedings of the 19th November 1862, the Board of Revenue submitted the Budget of revenues and receipts for 1863-64. This document as well as the Budget of charges should have reached the Government Office by the 1st November according to the Order in the Financial Department dated 15th April 1862, No. 289. The former was received on the 19th idem and the latter on the 9th instant. The Board attribute this delay chiefly to the Collectors of Madras and Nellore, and the Government resolve to request them to communicate to Mr. Cunliffe and Mr. Dykes their displeasure for thus omitting to adhere to the dates fixed for the submission of an important document.

2. The Budget before Government appears to have received much care and attention from the Board, but, the principle which they have adopted, at the instance of the Accountant General, of basing their estimate on the "Demand" instead of on the probable receipts, appears, to the Government, to be erroneous and at variance with the theory of a Budget Estimate and with the intentions expressed and acted upon by the Supreme Government. Thus the Budget Committee state that the object of the Budget of receipts is to show, "the necessity or otherwise of providing additional funds for the requirements of the year," and this object is only to be attained by ascertaining the probable receipts and expenses of the year. Again the same Committee in paragraph 49 of their Report dated 27th October 1860, No. 6, explain that "every head of receipt must be examined with reference "to the *known expectations* of Government" and "the sums given in the rent rolls (demand) "and the *average receipts on account of former years must be looked to.*" The Government of India also very recently followed this principle, in regard to the Madras Budget for 1862-63, which exhibited an estimated Land and Sayer Revenue of Rupees 3,93,42,456. They observed, in paragraph 5 of their Financial Secretary's letter, dated 21st June 1862, No. 4,089, that it was less than the "actual realizations" of 1861-62, owing probably "to the exclusion of arrears

Vide paragraphs 54 and 55 of the Report of the Budget Committee's dated 30th July 1860, recorded in the Proceedings of the Government of India dated 17th November 1860, No. 125.

therefrom," and they raised the amount accordingly to 4,04,04,000. Further it is clear that except in regard to permanently settled Estates, which are few in this Presidency, there is really no such fixed demand as could be entered in the Budget. The bulk of the land is held on Ryotwary tenure, and the revenue necessarily fluctuates with the season. In a good season the extent of land under occupation increases, in a bad one it diminishes, and thus though the assessment of the land is fixed the amount of revenue yearly varies more or less. Even as regards Zemindaries which pay a fixed "Jumma" it must be erroneous to enter that Jumma in full when it is morally certain that some part will not be realized within the year, and on the other hand to omit the arrears of former years which it is equally certain will be realized within it.

3. The Government are clearly of opinion therefore that the Budget estimate should show the entire expected receipts of the year, but to meet the convenience of the Accountant General, and if he deems the information necessary, receipts on account of the year and on account of arrears can be separately shown. The present Budget should be revised with reference to the foregoing remarks. The revision will however be very simple, as in point of fact the Board have not interfered with the Collector's figures except in four instances under "Permanently settled." The Board, in the absence of precise information as to whether the Collectors framed their estimates under "Ryotwary" and other items of "Land Revenue" on the collections of past years or on the "demand," have allowed their figures to stand, and the Government approve this course as it is most likely that the Collectors have entered the expected collections in their estimate. The collection and the demand under other heads are nearly the same and the entries made in the Budget will require no alteration.

LAND REVENUE.

4. The Board estimate the Land Revenue of 1863-64 at Rupees 3,99,56,300, but under the revision to be made as directed in the preceding paragraph it will be Rs. 3,98,37,991. The actual* collections during the last four years from 1858-59 to 1861-62 ranged between 393 lacs and 409 lacs, and the Government consider that the estimate of 1863-64 may be safely fixed at Rupees 4,02,00,000, in round numbers.

		Rs.
*	1858-59	4,09,00,000
	1859-60	4,00,00,000
	1860-61	3,93,00,000
	1861-62	4,05,00,000
		4)16,07,00,000
	Average	4,01,75,000

SAYER.

5. The Revenue under "Sayer" is assumed at Rupees 2,29,590. This however will require revision. The Board estimate the forest revenue or as it is termed in the Budget "Sale of timber of Government forests" at Rupees 99,700 on the average of the collections of the last three years, while the Acting Conservator of Forests expects to realize the large sum of Rupees 4,39,600 in the tracts under his charge. Captain Beddome explains his grounds for this expectation in his letter dated 27th November 1862, No. 288, above recorded. He contemplates extensive operations not only in the old but also in the new Forests, but though of course a much larger quantity of timber will be felled the Government are not sanguine that the sales within the year will be as large as he expects. They do not think it safe to assume the actual receipts at more than three lacs as shown in the margin for the whole item.

	Government Estimate. Rs.	Captain Beddome's Estimate. Rs.
Kurnool	10,000	11,000
Wynad	30,000	42,000
Hoonsur	20,000	30,000
Nilamboor	30,000	30,000
Cuddapah and North Arcot	10,000	14,000
South Canara	20,000	32,400
Salem and South Arcot	30,000	50,000
Mudumallay	50,000	75,000
Segoor	30,000	40,000
Madura	10,000	15,000
Annamallays	55,000	95,000
Wellington	200	200
Neilgherries	5,000	5,000
Tanjore	700	...
	3,00 900	4,39,600

6. The Board state that the sum of Rupees 9,200 estimated to be collected on account of "Grazing Tax" in the Godavery and Kistna Districts should be transferred to the "Local Funds" under the Order of Government, dated 22nd November 1862, No. 2,468. This amount will therefore be struck out of the Budget.

7. The Board in paragraph 24 of their Proceedings, dated 19th November 1862, No. 7,605, stated that no income was expected from the Pearl Fishery in 1863-64. They have however since explained that Rupees 80,000 may be entered in the Budget for 1863-64. The average of the collections from this source in the two years in which the Fisheries were held was Rupees 1,89,500,* but as recent reports of the Tinnevelly Pearl Banks are unfavorable the Government do not deem it safe to alter the Board's estimate. The alterations in the Budget proposed in Mr. Hudleston's Memorandum will be made in the Government Office.

Memorandum dated 5th December 1862.

	Rs.
* 1860-61	2,50,000
1861-62	1,29,000
	3,79,000
Average..	1,89,500

	Rs.
Board's original estimate	2,29,590
Increase in Forest Revenue according to revised estimate	2,01,200
	4,30,790
Deduct Grazing Tax ..	9,200
	4,21,590
Add for Pearl Fishery...	80,000
Total...	5,01,590

8. The net probable Revenue under "Sayer" will be Rupees 5,01,590 after making the necessary alterations as directed above against the estimated revenue of 1862-63, Rupees 3,74,710. The excess is owing chiefly to the large increase expected under Forest Revenue.

ABKARRY.

9. The Board's estimate of Rupees 35,30,620 shows a small increase of Rupees 22,765 above the probable Revenue of 1862-63, viz., Rupees 35,07,855. They observe that the increase would be much larger were not a decrease of one lac anticipated in the Town of Madras in consequence of the unfavorable state of the season. The Government do not see reason at present to apprehend such a falling off. The Revenue of the Town for 1863-64 is given at Rupees 7,50,000 and the charges† at Rupees 1,82,624, the net revenue will be Rupees 5,67,376, which is lower than the sums realized in any of the previous five‡ years. The average of the collections of the five years from 1856-57 to 1860-61 was eight lacs, and that sum may safely be fixed as the estimate for 1863-64. The probable entire Revenue under "Abkarry" in that year will thus be Rupees 35,80,620.

† Vide Budget of charges.

		Gross Revenue.	Net Revenue.
‡ 1857-58	Rupees	7,68,241	6,21,473
1858-59	"	7,71,413	5,93,477
1859-60	"	8,86,467	6,62,806
1860-61	"	9,68,028	7,18,398
1861-62	"	8,71,182	7,46,302

INCOME TAX.

10. The Board's estimate of Rupees 13,36,756 showing a decrease of 1,81,035 below the estimate of 1862-63 appears reasonable. The decrease is the consequence of the discontinuance of the two per cent. tax. The Acting Accountant General reports that the probable stoppages on account of the tax from the pay of public servants at the Presidency and in the Military Department and from interest on Promissory Notes will amount to Rupees 4,98,671. The entire Revenue from the Tax will thus be Rupees 18,35,427.

CUSTOMS.

11. The Board state that the Collector's estimates under Customs have been accepted. They give the total of Sea Customs at Rupees 15,91,800 and remark that the decrease is owing to the operation of Act XI of 1862. That Act came into force almost in the beginning of the year 1862-63, and its operation therefore cannot affect the Revenue of 1863-64 much more than that of the current year. Looking at the Collector's expectations for 1862-63 the Government think the estimate for 1863-64 may safely be fixed at 16 lacs.

Sea Customs	15,91,800
Land do.	1,77,100
Miscellaneous	15,950

SALT.

12. The Salt Revenue is calculated at Rupees 88,60,600§ against the estimate of Rupees 86,27,920 for 1862-63. The Board are not able satisfactorily to explain the increase, but they presume that it is owing to the measures adopted of late to prevent smuggling and to the facilities

§ As given in the Board's Proceedings dated 19th November 1862, No. 7,605 .....

	Rs.
	89,18,000.
Deduct excess in Tinnevelly as per Board's Proceedings dated 28th November 1862.	57,400
Revenue...	88,60,600

afforded by the Railway for the cheap conveyance of Salt into the interior. The Government apprehend that the estimate has been somewhat over-stated. The actual collections in 1861-62 were Rupees 82,85,427, and only Rupees 36,25,422 were realized within the first six months of the current year, and there is reason to believe that the sales in some of the Northern Districts are falling off. Under these circumstances the Government deem it safest to fix the estimate of 1863-64 at Rupees 86,00,000.

STAMPS.

13. The Board estimate the Stamp Revenue at Rupees 21,61,250 against the estimate of Rupees 34,17,220 for 1862-63. The actual collection within the first six months of the current year was Rupees 10,39,336, and it will not be safe to estimate the probable Revenue of 1863-64 at more than the amount given by the Board or in round numbers 22 lacs. The estimate of 1862-63 was fixed at 35 lacs by the Supreme Government, who were misled by the large sales of the previous year under very exceptional circumstances, viz., the impending operation of the Act for the Limitations of Suits. This Government estimated the Revenue at 20¾ lacs, the receipts in the first half have been as above stated Rupees 10,39,336, and there is therefore little prospect of the expectations of the Supreme Government being realised.

14. The total estimated Revenue of 1863-64, amounts to little more than 587 lacs as shown in the following table :—

	Actual of 1861-62.	Estimate of Supreme Government for 1862-63.	Revised Estimate of 1862-63.	Estimate of 1863-64.
	RS.	RS.	RS.	RS.
Land...	*4,06,38,589	‡3,99,15,800	3,94,00,000	4,02,00,000
Sayer...		§3,98,710	4,04,000	5,01,590
Abkairy...	*32,73,083	34,05,000	‖35,07,855	35,80,620
Income Tax... ...	†25,22,376	20,56,500	20,64,700	18,35,427
Customs. Sea Customs.... .	*21,16,406	16,91,760	16,91,760	16,00,000
Customs. Land do. ...	*2,13,337	1,75,600	1,75,600	1,77,100
Customs. Miscellaneous do.	.....	3,740	3,740	15,950
Salt...	†83,80,124	84,25,000	86,28,000	86,00,000
Stamps.....	†30,24,167	34,96,000	23,20,800	22,00,000
Total...	6,01,68,082	5,95,68,110	5,81,96,455	5,87,10,687

15. The Supreme Government estimated the revenue of the current year at Rupees 5,95,68,110; in comparison with this, the estimate of 1863-64 as passed above shows the large decrease of more than eight and a half lacs. But by the last return of the Accountant General the receipts of the current year are likely to be only Rupees 5,81,96,455. Compared with this revised estimate, the expected revenue of 1863-64 shows an increase of a little more than five lacs.

16. In comparison with the actual revenue of 1861-62 the present estimates show a decrease of about fourteen and a half lacs. The items in which this decrease occurs are Income

* Taken from the Board's Statement, dated 20th December 1862.
† Do. from Acting Accountant General's do. dated 23rd do.
‡ Paragraph 15.
§ Do. 18.
‖ Do. 19.
} Board's Proceedings dated 19th November 1862, No. 7,605.

Tax, Customs and Stamps. The decrease in Income Tax is owing to the abolition of the 2 per cent Tax, that in Customs is owing to changes in the duties and in some measure to an anticipated falling off in trade, and that in Stamps is owing to the exceptional circumstance already stated in paragraph 13.

XIII Public Works.

	RS.
Tolls for navigating Cochrane, Sadras and other Canals.....	37,000
Fees on account of Travellers' Bungalows.....	9,193

17. There is no information in the paper before Government as to the data upon which the estimates under these heads were framed. But the Government presume that the Board have satisfied themselves that they are correct.

18. The sums entered under XV Miscellaneous need no particular notice.

19. The instructions issued to the Collectors in paragraphs 31 to 36 of the Board's Proceedings are approved.

20. With these remarks the Budgets will be transmitted to the Acting Accountant General. The Government have fixed the probable aggregate revenue under each head and the distribution of it among the several Districts can be easily made in his Office, in communication with the Board of Revenue if necessary.

(Signed) J. D. SIM,
Secretary to Government.

No. 912

Official Memorandum.

In reply to the Memoran-
dum from the Secretary to Government
in the Revenue Department dated 22.
Instant No. 208, the undersigned has
the honor to State, in regard to the first
point, that the estimate of Rupees 99700
for the item "Sale of Timber of Govern-
ment Forests" is based upon the Collec-
tors estimates which in the absence of
any other information have been accepted
as correct. There is reason to believe that
these estimates have been carefully pre-
pared, for it is found that as compared
with the actuals of previous years no
material difference exists. The receipts
for the last three years are given in
the margin with the average. The pre-
sent Estimate corresponds with it very
nearly. It is not clear under what cir-
cumstances the Officiating Conservator
of Forests expects the very large revenue
for which he has estimated, but if he
has included the value of all the Tim-
ber which may be expected to be cut
in the ensuing Official year and brought

to

	Rs
Actuals. 1860/61.	99300
1861/62.	133985.
1862/63.	87800
Total.	321085
Average.	107000

This is inclusive of the amount entered under the item "Produce of Forests" in some Districts.

to stock account although a large portion of it may remain unsold at the end of that year, the principle appears incorrect.

4. The Sum of Rupees 9200 estimated for grazing Tax in the Godavery and Kistnah Districts is evidently of the nature of the grass rents alluded to in the Board's letter to Government dated 6th November 1862 No. 7346 and as the recommendation of the Board has been adopted, the amount must be transferred to the Local Funds.

5. The large decrease of one Lac of Rupees in the Abkarry Revenue of the Town of Madras alluded to in Paras 19 and 25 of the Board's Proceedings dated 19th Instant is attributed by the Collector to a falling off in the Sales in consequence of the unfavorable state of the season and consequent dearness of necessaries.

6. A Telegram had been already despatched to Tinnevelly for the required information regarding the estimate of Salt Revenue which will be submitted to Government as soon as received.

Revenue Board Office,
Madras,
25th November 1862.

By Order,
Secretary.

To
F. D. Sim Esq.
Secretary to Government
Ld. Stanley
Pol. Dept.

Office of Conservator of Forests.

No. 288 Completed & finally settled 1862 Nov 27

From Capt A. H. Weddome

Officiating Conservator of Forests

To J. D. Sim Esqr Secy to Govt

Sir,

1 In answer to your official letter of the 20th inst No 202 I have the honor to offer the following explanations of the great increase expected in the forest revenue for 1863/64

Kurnool The Nallay Mallay forests have been lately handed over to our Dept I confidently expect a revenue of 11000 Rs in 63/64 No amount estimated in former years.

Wynad & Hoonsur As Capt Gib is to give his undivided attention to working these two forests I have been enabled to estimate the return from the former at 42000 Rs and the latter at 30000 Rs a total of 72000 - In the former estimate the Wynad receipts were only entered at 5000 Rs as Capt Gib had to give much of his attention to Mysore, he could not work these forests & only sold dry girdled Teak on Seigniorage. The Hoonsoor forests have only just been handed over, so no Revenue appeared under this head in former estimate

Nellumbur As it is absolutely necessary to fell upwards of a Lakh of saplings in 63/64 - as I am perfectly certain that I can sell them at a higher rate than they have hitherto been estimated at and as more extensive operations in the felling of large timbers is contemplated, the estimated Revenue of 30000 Rs for 63/64 is probably below

what it will prove to be - Rs 808 only
was estimated for 1861/62 and 5000
for 62/63

Cuddalah & North Arcot In former estimate only Cuddalah for a Revenue of 5000 Rs. North Arcot has been added, together with this, better supervision, and improved check against smuggling enable me to expect at least a Revenue of 14000 Rupees

South Canara A considerable increase of establishment & larger working charges have been proposed & enable us to work these forests systematically. The Asst anticipates a Revenue of at least 32400 Rs. The operations have hitherto been too limited & the check upon smuggling not sufficient to the Estimated revenue in former years about 10,000 Rs only

Salem and South Arcot. South Arcot has been added, the Sandal wood forests are showing a much larger return than they have hitherto been estimated for. Rs 50,000 may be looked for as a revenue from these forests In former years Estimates not above 20,000 Rs

Madumallay All the timber must be got out of these forests at the lease expires about the end of the Official year. The Asst expects to sell 75,000 Rs worth Estimated revenue in former years not above 30,000 only

Coorg Extended operations in the Sandal wood forests raise the

2646

Revenue Department

Proceedings of the Madras Government under date the 15 December 1862

Read again Ro: of the Board of Revenue dated 19th Novr 1862 No 7,605 and records in Ro: of 6th dated 27th Novr 1862 No 2496

Read also the following papers—

From the Secy to the Bd of Revenue— Explaining certain points in the Budget of Receipts for 1863/64. — Here enter 28th Novr 1862

From the Offg Contr of Forests— Data upon which large increase in the Forest Revenue for 1863/64 is calculated— — Here enter 27th Novr 1862 No 268.

Ro: of the Board of Revenue— Submitting a letter from the Collector of Tinnevelly requesting to make certain alterations in the Budget Estimate of Receipts and charges for 1863/64— — Here enter 28th Novr 1862

From the Actg Accountant General— Submitting a Memo: of probable Collections of Income Tax in 1863/64 as called for in the Memorandum of the Secy to Govt Revenue Dept dated 22d Ulting and 3d instant— — Here enter 5th Decr 1862 No 2985

From the Secy to the Bd of Revenue— Requesting that certain alterations may be made in the Budget Estimate of Receipts in consequence of the Collector of Tinnevelly having reported that there is no prospect of a Pearl Fishery in 1863/63 subsequent to the submission to Govt of the Budget Estimates for 1863/64— — Here enter 5th Decr 1862

of the 19 Novr 1862 With their Proceedings the Board of Revenue submit the Budget of Revenue and Receipts for 1863/64— This document as well as the Budget of charges should have reached the Govt office by the 1st November according to the order in the Financial Department dated 15th April 1862 No 289. The former

former was received on the 19th Idem and the latter on the 9th Instant. The Board attribute this delay chiefly to the collectors of Madras and Vellore and the Govt resolve to request them to communicate to Mr Cunliffe and Mr Sykes their displeasure for thus omitting to adhere to the dates fixed for the submission of an important document.

2. The Budget before Govt appears to have cost much pains and attention from the Board, but the principle which they have adopted at the instance of the Accountant General of basing their estimate on the "Demand" instead of on the probable receipts appears to the Govt to be erroneous and at variance with the theory of a Budget estimate and with the intentions expressed and acted upon by the Supreme Govt. Thus the Budget committee state that the object of the Budget of Receipts is to show, "the necessity or otherwise of an providing additional sum funds for the requirements of the year" and this object is only to be attained by ascertaining the probable receipts

and

This needs consideration I cannot understand on what principle the "Demand" can be taken as the guide when the Settlement is gone, it can't be known before the year has fairly opened.
JDS.

Vide paras 54 and 55 of the report of the Budget committee dated 30th July 1860 recorded in the Proceedings of the Govt of India dated 17th November 1860 No 125.

and expenses of the year. Again the same committee in para 49 of their report dated 27th October 1860 No 6, explain that "every head of "receipt must be examined "with reference to the known "Expectations of Govt" and the "sums given in the estimate "(demand) and the average "receipts on account of former "years must be looked to." The Govt of India also very recently followed this principle in regard to the Madras Budget for 1862/63 which exhibited an estimated land and Sayer Revenue of Rs 3,93,42,456. They observed in para 5 of their Financial Secretary's letter dated 21st June 1862 No 4089 that it was less than the "actual realizations" of 1861/62 owing probably "to the exclusion of arrears therefrom" and they raised the amount accordingly to 4,04,00,000. Further it is clear that except in regard to Permanently settled Estates, which are few in this Presidency there is really no such fixed demand

demand as could be entered
in the Budget. The bulk
of the land is held on
Ryotwary tenure and the
Revenue necessarily fluctu-
ates with the season. In
a good season the total of
land under occupation
increases, in a bad one it
diminishes and thus though
the assessment of the land
is fixed the amount of Re-
venue yearly varies more
or less. Even as regards
Zamindaries which pay
a fixed "Jummah" it
must be [illegible] to enter that Jummah
in full when it is morally
certain that some part
will not be realized within
the year - and on the other
hand to omit the arrears
of former years which
it is equally certain will
be realized within it.

3. The Govt are clearly
of opinion therefore that
the Budget Estimate should
show the entire expected
receipts of the year, but to
meet the convenience of
the Accountant General
and if he deems this information necessary
receipts

receipts on account of the
year and on account of ar-
rears can be separately shown.

The present Budget
should be revised with
reference to the foregoing re-
marks. The revision will
however be very simple as
in point of fact the Board
have not interfered with the
Collector's figures except in
four instances under "Perma-
nently settled." The Board
in the absence of precise
information as to whether
the Collectors framed their
estimates under "Ryotwary"
and other items of "Land &
Revenue" on the collections
of past years or on the
"demand" have allowed their
figures to stand and the Govt
approve this course as it is
most likely that the Collectors
have entered the expected
collections

in their Estimate. The Collections of the demand under other heads are nearly the same and the entries made in the Budget will require no alteration.

4. The Board estimate the Land Revenue of 1863/64 at Rs. 3,99,56,300 but under the revisions to be made as directed in the preceding paragraph it will be Rs. 3,98,37,991.

Land Revenue-

× The actual collections during the last four years from 1858/59 to 1861/62 included, ranged between 393 lacs and 409 lacs, and the Govt. consider that the Estimate of 1863/64 may be safely fixed at Rs. 4,02,00,000, in round numbers.

× 1858/59 - Rs 409,00,000
1859/60 - " - 400,00,000
1860/61 - " - 393,00,000
1861/62 - " - 405,00,000
4/1607,00,000
Average 401,75,000

Or shall the average say 402 lacs be taken-

5. The Revenue under "Sayer" is assumed at Rupees 2,29,590 - This however will

Sayer

require revision. The Board estimate the Forest Revenue or as it is termed in the Budget "Sale of Timber of Govt. Forests" at Rupees 99,700 on the average of the collections of the last three years while the Conservator of Forests expects to realize the large sum of Rupees 4,39,600 in the tracts under his charge. Captain Beddome explains his grounds for this expectation in his letter dated 27th November 1862, No. 288 above recorded. He contemplates extensive operations not only in the old but also in the new Forests but though of course a much larger quantity of timber will be felled the Govt. are not sanguine that the sales with in the year will

will be as large as he expects. They do not think it safe to assume the actual receipts at more than 3 lacs as shewn in the margin for [illegible]

6. The Board state that the sum of Rupees 9200 is estimated to be collected on account of the "Grazing tax" in the Godaveery and Kistna Districts ~~on the same~~ Shroff to be transferred to the "Local Funds" under the order of Govt. dated 22d November 1862 No. 2468. This amount will therefore be struck out of the Budget.

7. The Board in para. 24 of their Proceedings of 19th Nov. 1862 No. 1605 stated that no income is expected from the Pearl Fishery in 1863/64. They however explained that

	Government Estimate	Board's Estimate
Kurnool	10,000	11,000
Wynâd	30,000	42,000
Tinneveli	20,000	30,000
Nilamboor	30,000	30,000
Cuddapah and North Arcot	10,000	14,000
South Canara	20,000	32,400
Salem & S. Arcot	30,000	50,000
Madumallay	50,000	75,000
Segoor	30,000	40,000
Madura	10,000	15,000
Annamallays	55,000	95,000
Willington	200	200
Neilgherries	5,000	5,000
Tanjore	700	-
	3,00,900	4,39,600

Memorandum dated 5th Dec. 1862.

4

Note.

This is purely conjectural.

X

1860/61 - Rs. 250000
1861/62 - " - 129000
379000
Average - 189500.

Rs. original estimate - Rs. 229590
Income in Front-Rev. according to annexed estimate - " - 201200
430790
Deduct grazing Tax - 9200
421590
Add for Pearl Fishery - 80000
Total — 501590

11

that Rupees 80000 may be entered in the Budget for 1863/64. The average of the Collections from this source in the two years in which the Fisheries were held was Rs. 189,500 but as recent reports of the Tinneveliye Pearl Banks are unfavorable the Government do not deem it safe to alter the Board's estimate. The alterations in the Budget proposed in Mr. Huddleston's memorandum will be made in the Government office.

8. The net probable Revenue under "Sayer" will be Rupees 501,590 after making the necessary alterations as directed above against the estimated revenue of 1862/63, Rs. 374710

The

The excess is owing chiefly to the large increase expected under the Forest Revenue.

9- The Board's estimate of Rupees 35,30,620 shows a small increase of Rupees 22765 above the probable revenue of 1862/63 viz^t Rupees 3507855- They observe that the increase would be much larger were not a decrease ~~falling off~~ of 1 lac anticipated in the Town of Madras in consequence of the unfavorable state of the season. The Gov^t do not see reason at present to apprehend ~~anticipate~~ such a falling off. The Revenue of the Town for 1863/64 is given at Rs. 7,50,000 and the charges at Rupees 1,82,624 the net revenue will be Rs. 5,67,376 which is lower than the sums

Abkary

Vide Budget of charges.

realized in any of the previous five years. The average of the collections of the five years from 1856/57 to 1860/61 was eight lacs, and that sum may safely be fixed as the estimate for 1863/64. The probable entire Revenue under "Abkary" in that year will thus be Rs. 35,80,620-

	Gross Revenue	Net Revenue
1857/58	Rs. 7,66,241.	6,21,473.
1858/59.	" 7,71,413.	5,93,477.
1859/60.	" 8,86,467.	6,62,806.
1860/61.	" 9,68,028.	7,18,398.
1861/62.		

Income Tax

10. The Board's estimate of Rs. 13,36,756 showing a decrease of 1,61,035 below the estimate of 1862/63 appears reasonable. The

The decrease in the consequence of the discontinuance of the 2 per cent tax.

The Acting Accountant General reports that the probable stoppage on account of the Case from the pay of Public Servants at the Residency and in the Military Department and from interest on Promissory notes will amount to Rupees 4,98,671. The increase the revenue from the Case will thus be Rupees 18,32,427.

The

Customs.

Sea customs. 13,36,756.
Land - Do - 1,77,100.
Miscellaneous 15,950.

The Board state that the following estimates under customs have been accepted. They give the total of Sea customs at Rs. 13,36,756 and remark that the decrease is owing to the operation of Act IX of 1862. This Act came into force almost in the beginning of the year 1862/63 and from a statement procured from the Board's office of the actual collections of the first six months appear to have amounted to Rs. 7,77,699: the corrected collections for the entire year may safely be presumed at 15 lacs.

The

12 The Salt Revenue is calculated at Rupees 88,60,600 against the estimate of Rupees 86,27,920 for 1862/63. The Board are not able satisfactorily to explain the increase but they presume that it is owing to the measures adopted of late to prevent smuggling and to the facilities afforded by the Railway for the cheap conveyance of Salt into the interior. The Govt apprehend that the estimate has been somewhat overstated. The actual collections in 1861/62 were Rupees 82,85,427 and only Rupees 36,25,422 were realized within the first 6 months of the current year, & there is reason to believe that the sales in some of the Northern districts are falling off. Under these circumstances the Govt deem it safest to fix the estimate of 1862/63 at Rupees 86,00,000.

Salt

× As given in the Bd's Rev: dated 19th Nov 1862 No 7,605 — Rupees 89,15,000.
Deduct Excess in Liquor & Opium Rupees 57,400
Salt Revenue 88,60,600.

× Not given by the Bd or in round Numbers 22 Lacs.

Note. By their last returns the Colrs Expect in the current year to realize 86,28,000. Therefore 86 Lacs is a safe figure for 63/4 — indeed we might safely have an increase.

13- The Board estimate the Stamp Revenue at Rupees 21,67,250 against their estimate of Rupees 34,17,220 for 1862/63. The actual collection within the first six months of this year was Rupees 10,39,336 & it will not be safe to estimate

Stamps.

Note - The Colrs Expect 23/5 Lacs in 1862/3.

6

the probable revenue at more than ~~double that~~ the amount × The ~~collection~~ ~~in the second half of 1861/62 was upwards of 17 Lacs but was occasioned by a panic that occurred Yet the Govt estimate~~ The estimate of 1862/63 was fixed at 55 Lacs by the Supreme Government who were misled by the large sales of the previous year under very exceptional circumstances × This Government estimated the revenue at 20 3/4 Lacs the receipts in the first half have been as above stated Rupees 10,39,336 and there is therefore little prospect of the expectations of the Supreme Government being realized.

The total Revenue 14 Estimate of 1863/64 amounts to little more than 582 3/4 Lacs. as shown in the

× Vide the impending Spectacle Act for the Limitation of Suit -

the following table

Items	1	actual for 1861/62	Estimate for 1862/63	Estimate for 1863/64	Comparison between columns 3 & 4 Increase	Decrease
		2	3	4	5	6
Land Revenue		405,25,397	395,03,015	400,00,000	4,96,985	"
Sayer		1,13,192	3,98,710	5,01,590	1,02,880	"
Abkary		32,73,083	35,07,855	35,80,620	72,765	"
Income Tax		19,71,657	20,56,500	18,35,427	"	2,21,073
Customs	Sea Customs	21,16,406	16,91,765	15,00,000	"	2,41,765
	Land Customs	2,13,337	1,75,605	1,77,100	1,495	"
	Miscellaneous	•	3,741	1,59,50	12,209	"
Salt		82,85,365	86,27,920	86,00,000	"	1,27,920
Stamps		28,64,431	34,17,220	21,61,250	"	12,55,970
Total		593,62,868	595,82,331	581,71,937	4	11,10,394

Net 10,10,394

15 There is a net decrease of more than eleven lacs of Rs. below the estimate of 1862/63 owing to the large probable decrease of twelve and half lacs under stamps and the falling off of two and a quarter lacs under Income Tax, of two and a half lacs under Customs and a lac and a quarter under salt, for reasons already

N. Revenue Board

15

No 2

the following table

	Actual for 1861/2	Estimate of Sept. Govt for 1862-3	Revised Est. of 1862/3	Estimate for 1863/4
	Rs.	Rs.	Rs.	Rs.
Land	405,25,397	399,15,800	394,00,000	400,00,000
Sayer	1,13,192	3,98,710	4,04,000	5,01,590
Abkary	32,73,083	34,05,000	35,07,855	35,80,620
Income	19,71,657	20,56,500	20,64,700	18,35,427
Sea Customs	21,16,406	16,91,760	16,91,760	15,00,000
Land do	2,13,337	1,75,600	1,75,600	1,77,100
Miscellaneous	"	3,740	3,740	1,59,50
Salt	82,85,365	84,25,000	86,28,000	86,00,000
Stamps	28,64,431	34,96,000	23,20,800	22,60,250
Total	593,62,868	595,68,110	581,96,455	581,71,937

Revenue Board

The Supt. first estimated the Net of the current year at Rs. 595,68,110 in comparison with the Estimate of 1863/4 as stated above there is a large decrease of nearly 14 lacs. Both in the last returns of the last & the receipts of the

current year are
likely to be only Rs
581,96,455 - Compared
with the revised
~~Estimate and~~ Actuals
for 1861/2 and the
Estimate of Duties for the 62/3
of the 2 per Cent Duties
levied last year
Revised Estimate,
the expected Rent
of 1863/4 shows an
increase of nearly
£5 Lacs.
The Comparison
with the actual
Income of 1861/2
the present Estimate
shows a decrease of
about 10 Lacs - The
items in which the
decrease occurs
are Land Rt.
Customs & Stamps

15

The Land Rent
is dependent on
the character of
the Season - of which
no judgment can
be formed for months
to come, & no reliable
Estimate can yet be formed.
The only safe course
is to adopt a moderate
Estimate, which the
Actuals may exceed
but not fall short of -
Increase is anticipated
in the Duties and
in some Items of Income
& an anticipated
falling off in Taxes
and Stamps
in virtue of the
exceptional circum-
stance already

~~already briefly alluded to.~~

16. There is no information in the papers before Govt as to the data upon which the Estimates under these heads were framed. But the Govt presume that the Board have satisfied themselves that they are nearly correct.

17. The sums entered under ~~XV~~ Miscellaneous need no particular notice.

18. The instructions issued to the Collectors in paras 31 to 36 of the Board's Proceedings are approved.

19 With these remarks the Budgets will be transmitted to the acting Accountant General. The Government have fixed the probable aggregate revenue under each head and the distribution of it among the several Districts can be easily made in his office, in communication with the

XXXIII Public Works.

Tolls for navigating Cochrane, Sudras & other Canals — Rs. 37,000

Fees on account of Travellers Bungalows — 9,193

with the Board of Revs
if necessary.

[illegible]

Copies
To
1 — Theo. Reg. Auditt Genl with Budgt. Disp. &c
1 — Board of Revs
1 — Financial Departt
3 — Civil Paymasters
4 — Conservators of Forests

Rec'd Bu Sect
1863/4

No. 2491
27-11-62

No. 2537
3-12-62

Revenue 1862 Dept.
Pro: of Govt for December

No. 2616.

Pro: of the Madras Govt.
Dt 15th Decr 62.

Form B of Rev Dt 14th Nov 63
No. 2772. Estimate for 1864/65

Budget Estimate of
Revenues and Receipts
for 1863/64 received from
the Board of Revenue,
reviewed.

No. 221 @ 226.