

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 2649

Press
Mis.

157-158

Dated 8 - 11 - 1867.

Not to be folded or roughly handled

*Proceedings of the Madras Government, Revenue Department,
8th November 1867.*

No. 157. Read the following Circular from the Secretary to the Government of India, Public Works Department, (Revenue—Forests,) to the Secretary to the Government of Madras, in the Revenue Department, dated Simla, 19th October 1867, No. 23 :—

Rules to regulate Extraordinary expenditure in the administration of Forests.

Read again—

Orders on the Punjab Forest Budget for 1867-68, Nos. 443—4, dated 12th December 1866.

Letter from the Government of the Punjab, No. 5,384, dated 7th January 1867.

Public Works Department letter to the Government of the Punjab, No. 167 F, dated 6th May 1867.

Public Works Department Resolution to the Financial Department, No. 163 F, dated 6th May 1867.

Read also—

Financial Department Resolution No. 1,893, dated 9th August 1867.

1. OBSERVATIONS.—In January last, the Punjab Government represented that, in consequence of the former indiscriminate felling of timber in several of the hill forests, a restriction of felling operations within narrow limits had become necessary, and that on this account, and by reason of the orders of the Government of India to include the expenditure for canal and fuel plantations in the Forest Budget, there was apparently no prospect of the expenditure for some years being covered by the expected income.

2. With reference to this representation of the Punjab Government, it appears expedient to the Governor General in Council to state that there are certain cases in which the administration of Forests must, like the Irrigation Department, undertake works of public utility, the outlay on which within one year may not always be covered by the revenue of the year. The rule that the forest expenditure shall always be covered by the revenue, can, in its very nature, only apply to Ordinary expenditure.

3. It must of course be a principle in the spread of Forest Conservancy, as in the spread of Irrigation, not to undertake anything that is not likely in the end to prove remunerative. Unless this is done, the operations will prove to be financially impracticable, if carried out on any large scale. But it would be fatal to progress to apply this principle so as to refer to the income and expenditure within each year. The forest expenditure, like that for irrigation, must be divided into two grand classes—Ordinary and Extraordinary.

4. For the Ordinary expenditure, it is evidently at least necessary not to allow any expenditure beyond the year's income; indeed, as a general rule, the expenditure should be far less than the income, if any revenue is to be derived from the forests. But for the Extraordinary expenditure, such a rule is inapplicable. For the latter, the same principle should hold good, which is applied in the case of Irrigation projects. Each proposal for Extraordinary expenditure must be regarded as of the nature of Capital outlay, and must, in the first instance, be worked out in full detail, to show that all the measures have been carefully considered beforehand, and that the result is likely to be ultimately profitable to such a degree as to justify the outlay. When once this has been established, and if the

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outlay is otherwise proper and convenient, the expenditure should be sanctioned irrespective of the *present* income of the forest, and subject only to considerations of practical convenience and financial prudence.

5. Next to improved communications and to irrigation, His Excellency in Council considers that there is nothing which the Government can undertake in the way of physical improvements so advantageous at once to the comfort and well-being of the people, and the progress of the country in civilization and riches, as the maintenance and improvement of existing forests, and, wherever necessary, the establishment of plantations for timber and fuel; while, as in the case of irrigation also, there is here not only advantage to the country, but a certain prospect of an ultimate large income to the Government in a way that will not press on the people, but, on the contrary, will aid their resources.

6. Such being the case, it appears to His Excellency in Council desirable to encourage the local Governments to bring forward carefully considered schemes likely to be ultimately profitable, and to set them in hand as soon as they are matured, and all needful arrangements made, for carrying them out gradually, systematically, and economically. In this the tenor of recent Despatches from the Secretary of State affords the Government of India full support.

7. These views were communicated to the Financial Department in May last, and have been generally assented to on further consideration in that Department, on the understanding that a proper distinction between Ordinary and Extraordinary expenditure will be carefully maintained.

8. It is probable that there will be no immediate need in any Province to exceed the annual income by any considerable amount, and therefore it may not now be necessary to introduce a new head of account, "Forest Charges, Extraordinary." But it appears expedient to frame a few simple rules to guide the local authorities in preparing the projects of such works, the outlay for which may be regarded as Capital expenditure.

9. Expenditure on account of the following three classes of works or undertakings may be regarded as Capital or Extraordinary expenditure:—

1st.—Purchases of land on a large scale for plantations, or the purchase of forests, or the purchase of rights and privileges in Government forests from the inhabitants of the neighbourhood, or from other parties, (such outlay would fall under Budget sub-head IV).

2nd.—Plantations on a large scale, (Budget sub-head VI).

3rd.—Works undertaken to facilitate the working of the forests, such as roads, canals for floating timber, and works for the improvement of existing streams, as far as it appears expedient to entrust the execution of such works to the Forest Department, (Budget sub-head X).

These appear to be the only classes of outlay involving *bona fide* Capital expenditure, which need not necessarily be covered by the income of the same year.

10. Regarding expenditure under Budget sub-head X (Communications), it was ruled in Standing Order No. 5 of 1867, that items exceeding Rupees 5,000 should be entered separately in the Budget Estimate. A similar course should now be pursued with all classes of expenditure mentioned above. Wherever any

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individual item exceeds Rupees 5,000; it should be entered separately, under its proper sub-head, in the Budget Estimate, and a separate detailed report or estimate should be submitted, explaining the particulars of the work proposed. In the case of roads, canals, and other works, which admit of the employment of the Public Works forms of estimate, these should be used, but in all cases these reports on projects should be accompanied by the needful maps and plans, and by a detailed specification of what is proposed to be done.

11. Such projects should, as far as practicable, be submitted for sanction to the Government of India in anticipation of the Budget Estimates.

These rules will apply to all projects, either for the purchase of forests, or forest rights, or for plantations on a large scale, or for communications individually exceeding Rupees 5,000 in one year, whether they create an excess of expenditure over income or not.

Bengal.
N.-W. Provinces.
Punjab.
Oudh.
Central Provinces.
British Burmah.

Mysore.
Coorg.
Hyderabad.
Rajpootana.
Central India.

ORDER.—Ordered that a copy of the above Resolution be forwarded to Local Governments and Administrations for guidance.

Ordered, also, that a copy be sent to the Governments of Madras and Bombay, as well as to the Financial Department, for information.

(Signed) C. H. DICKENS, Colonel, R. A.,
Secy. to the Govt. of India.

No. 158.

ORDER THEREON, 8th November 1867, No. 2,649.

Forests, No. 8.

Communicated to the Board of Revenue and Conservator of Forests.

(True Extract.)

(Signed) W. HUDLESTON,
Secretary to Government.

To the Board of Revenue.
„ the Officiating Conservator of Forests.

Exd. F. R. Bantleman.

To

CIRCULAR No. 23 FOREST.

Dated SIMLA, October 19, 1867.

Received

No 2649
Committed to the
Board of Revenue &
Conservator of Forests

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