

MEMORANDUM

ON THE

FINANCIAL POSITION

OF THE

BOMBAY GOVERNMENT.

By

EDWIN T. ATKINSON, B.A.,
ACCOUNTANT GENERAL.

Bombay:

PRINTED AT THE GOVERNMENT CENTRAL PRESS.

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I have been asked for a review of the position of the Bombay Government in regard to the decentralisation scheme and with special reference to the Resolution of the Bengal Government (dated 24th June 1881) setting forth the effect of the decentralisation scheme of 1877 in that Province. To do this effectually and in such a way as will intelligibly explain the balances at the close of each year, it is necessary to go back to the contract of 1871 and show how it has been carried out and how it has affected the arrangements of 1877. The history of both contracts are fully detailed in my "Memorandum on the Financial position and the accounts of the North-West Provinces", a copy of which has been placed at the disposal of the Secretary to Government, so that it will be unnecessary to refer to it at length here. In the Appendix will be found a copy of the orders authorising any change in the Provincial allotment and showing the authority for alterations which at first sight might appear inexplicable. A reference to the correspondence quoted in those authorities will show the reasons for each order.

2. The main features of the decentralisation scheme of 1870-71 will be found set forth in the Resolution of the Government of India, Financial Department, 3334, dated 14th December 1870 (Appendix A. 1). It was intended to check the growing expenditure in certain departments, over which the central Government could exercise but little control, by assigning their receipts and making grants for their services, the difference between which formed the Provincial allotment. It was thought that so soon as the Local Governments had a direct interest in the management of the receipts and charges of the delegated services, a more efficient and economical check would necessarily arise, and for this purpose Local Governments were given complete control over the receipts assigned and grants made on the basis of the existing Budget within recognised limits (Appendix A. 1, para. 21). Any savings effected went to Provincial purposes, and, on the other hand, Local Governments had to provide ways and means for any excess expenditure that might be considered necessary.

3. Para. 11 of the Resolution entrusted to local control the charges as estimated for the services of 1870-71 less by a lump deduction of thirty-five lakhs for all India. The share of this deduction that fell to Bombay was Rs. 6,59,650, subsequently fixed at Rs. 6,63,010, which was reduced proportionately from each head of service. The first effect of the scheme was therefore to reduce the Imperial expenditure on these delegated services by one-third of a million sterling and put an end at once and for ever to the steady increase in the charges on their account, and Bombay had to meet its obligations by reducing expenditure or improving receipts to the extent of Rs. 6,63,010 per annum. The allotment was estimated at Rs. 88,00,750 and was altered by the close of the year to Rs. 89,52,000. Paras. 11 and 14 of the Resolution give the heads of service transferred, and the following table will show the figures of the "estimated receipts" and "sanctioned grants" for the heads of services transferred for the year 1870-71 in Bombay :—

[Statement.

Assignments and Grants made for Provincial Services in accordance with Resolution 3334, dated 14th December 1870.

Head of Service transferred.	Sanctioned Grant, 1870-71.	DEDUCT			Net Allotment for 1871-72.
		Estimated Receipts, 1870-71.	Proportion of Deficit.	Total.	
	Rs.	Rs.	Rs.	Rs.	Rs.
1. Jails	7,84,400	6,640	47,476	54,116	6,80,284
2. Registration	2,53,720	3,01,410	16,121	3,17,531	—63,811
3. Police	38,87,080	1,40,000	2,53,829	3,93,829	34,93,251
4. Education	11,82,710	1,04,800	76,800	1,81,600	10,01,110
5. Printing	2,70,500	Nil	18,494	18,494	2,52,006
6. Medical Services	7,48,520	"	57,322	57,322	6,91,198
7. Roads & Public Improvements	12,19,000	"	1,90,343	1,90,343	10,28,657
8. Civil Buildings	10,75,000	"	2,625	2,625	10,72,375
9. Proportion of "Establishment," Public Works Department	5,96,440	"	...	...	5,96,440
10. Proportion of "Tools and Plant," Public Works Department	45,880	"	...	...	45,880
Total	1,00,13,250	5,52,850	6,63,010	12,15,860	87,97,390

4. The allotment for Provincial Services for 1871-72 comprised the provision for carrying on the services, less the assigned receipts and less the proportion of the reduction made on the whole grant and amounted to Rs. 87,97,390.

Considerable changes were effected during the year, and these we must now proceed to notice in order to bring the figures of each year in accord with those exhibited in the public accounts. On the receipt side Public Works receipts were added to the extent of Rs. 60,000.

A special donation of Rs. 4,00,860 was made from the savings of the year to inaugurate successfully the scheme for Provincial Services. This was added to the Provincial allotment but not to any particular head of service (Appendix A. 2).

5. On the charge side there were several changes during 1871-72 :—

- (1) A revised distribution of the proportionate reduction of the thirty-five lakhs over the whole decentralised services raised the reduction in Bombay to Rs. 6,63,510.
- (2) There was an alteration made under each grant on account of "Official postage" (Appendix A. 3), the charge for which in districts was made for the first time :—

Head of Service.	Increase.	Decrease.
Registration ... ..	...	5,020
Jails ... ..	...	2,060
Police	28,610	...
Education	2,030	...
Medical	4,750	...
Printing	14,800	...
	<u>50,190</u>	<u>7,080</u>

Net addition 43,110

* These alterations are taken into account in the table given below :—

- (3) The charges for "Petty construction and repairs" of civil buildings, excepting those of the Salt Department, were transferred with a net grant of Rs. 40,500. (Appendix A. 3).
- (4) The grant for "Medical Services" was increased by Rs. 85,000 on account of the transfer of all Medical establishments except the consolidated pay of Medical Officers (*Ibid*).
- (5) A sum of Rs. 46,000 was added on account of "Other items" by which is intended the cost of the Sanitary Department. (Appendix A. 4).

Table showing the Grants for the year 1871-72.

	Jails.	Registration.	Police.	Education.	Medical.	Printing.	Public Works.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Original Grant	7,84,400	2,53,720	33,87,080	11,82,710	7,48,520	2,70,500	20,84,320	+1,00,18,250
Deduct receipts	-6,640	-3,01,410	-1,40,000	-1,04,800	...	...	(b) -60,000	-6,12,850
Additions made .. .. .	....	..	..	...	+1,31,000	...	(c) +40,500	+1,71,500
Official Postage	-2,060	-5,020	+28,610	+2,080	+4,750	+14,800	...	+48,110
Proportion of deficit	-47,476	-16,121	-9,53,829	-76,800	-57,322	-18,494	-1,92,968	-6,63,010
Net allotment	+6,73,224	-69,831	+35,21,861	+10,03,140	+8,26,948	+2,66,306	+37,23,852	89,52,000

(a)—Rs. 85,000 for "Medical Establishments" and Rs. 46,000 net for Sanitary Commissioner, of which receipts were Rs. 1,200 and charge Rs. 47,200. (Appendix A. 4).

(b)—Public Works receipts transferred by G. E., P. W. D. 31 A.—165, dated 22nd January 1872. (Appendix A.)

(c)—Granted for "Petty construction and repairs." (Appendix A. 3).

6. During 1872-73 the following additions were made:—

- (1). To the receipt side a sum of Rs. 12,537 was added on account of interest on the funded capital of the Sir Jamsetji Jijibhoy Hospital deducted accordingly from the grant. (Appendix A. 5).
- (2). To the charge side there was an addition made of Rs. 2,37,709 or for round numbers Rs. 2,38,000 on account of "Office rent, rates and taxes", and the grant was increased by a similar sum. (Appendix A. 9).
- (3). There was an addition made to "Ecclesiastical" of Rs. 3,983 or for round numbers Rs. 4,000 on account of "Cemeteries," increasing the grant. (Appendix A. 8).
- (4). Rs. 5,000 were added on account of Government house furniture (Appendix A. 10), increasing the grant.
- (5). Rs. 7,000 were added to "Minor Departments" on account of "Museums" and Rs. 250 on account of "Fire Engine and Aqueduct Establishment" brought there from 'Miscellaneous' (Appendix A. 11), increasing the grant.
- (6). The following additions were also made to the grants under "Miscellaneous":—
 - a. Allowances to Civil Servants out of employ, Rs. 40,100 : of this sum Rs. 33,150 were re-transferred to Imperial in 1874-75.
 - b. Charitable donations, Rs. 30,180 : of this sum Rs. 3,000 on account of European vagrants in the Mofussil were re-transferred to Imperial in 1872-73, and in 1873-74 again became Provincial along with the Presidency charges.
 - c. Destruction of wild animals, Rs. 9,650.
 - d. Books and publications, Rs. 20,850.
 - e. Conservancy and Municipalities, Rs. 1,960 : became Imperial from 1872-73.
 - f. Miscellaneous and unforeseen charges Rs. 63,249, or for round numbers Rs. 63,250. See Appendix A. 12.
- (7). The sum of Rs. 68,850 was added to 'Medical' on account of "Medical Stores". (Appendix A. 13).
- (8). The sum of Rs. 1,750 was added to 'Police' on account of "Rewards for proclaimed offenders" (Appendix A. 17).
- (9). Rs. 3,120 were added to 'Jails' on account of "Civil Jails." (Appendix A. 14 and 20).
- (10). Rs. 600 were added to 'Printing' on account of the allowance paid to the Assistant Registrar of the High Court for superintending the printing. (Appendix A. 16).
- (11). Rs. 5,712 were added to 'Police' to provide for watchmen to prevent the infringement of excise rules. (Appendix A. 18 and 26).
- (12). Rs. 89,400 were added to 'Miscellaneous' to meet the "District Dak" charges. (Appendix A. 25).
- (13). Rs. 17,000 were added to 'Minor Departments' to provide for charges on account of Botanical Gardens. (Appendix A. 28).
- (14). Rs. 1,960 were reduced from 'Miscellaneous' on account of the charges for "Peons in charge of District Bungalows" becoming Imperial. (Appendix A. 15).
- (15). Rs. 3,000 were reduced from the same head as the preceding on account of charges on behalf of "European vagrants in the Mofussil" becoming Imperial. (Appendix A. 23).

- (16). Rs. 3,200 were reduced from "Education on account of the charges for collection of Ancient Sanskrit Manuscripts" having been transferred to Imperial. (Appendix A. 22).
- (17). Rs. 5,50,000 were added as a special grant to the Public Works Grant to provide for 'Salt buildings.' (Appendix A. 21).
- (18). Rs. 4,32,000 were added as a special allotment to the same grant for the construction of the Court of Small Causes at Bombay. (Appendix A. 27).

7. In 1873-74, the following changes took place :—

- (19). An addition of Rs. 9,000 was made to Public Works to meet the charges for "Petty construction and repairs of Salt buildings." (Appendix A. 29).
- (20). An addition of Rs. 2,220 was made for 'Office rent' of the Forest Department. (Appendix A. 30).
- (21). Rs. 8,060 were added for the Perim light-house to 'Marine' by the notes to the Budget for 1873-74.
- (22). Rs. 5,000 were added to 'Medical' on account of the European General Hospital at Aden. (Appendix A. 31).
- (23). Rs. 1,000 were added to 'Jails' on account of the lock-up in Deesa Cantonment. (Appendix A. 33).
- (24). Rs. 480 were added to 'Police' on account of the salary of a Kotwal in the Deesa Cantonment. (Appendix A. 35).
- (25). Rs. 13,000 were added to the grant "Miscellaneous" on account of the charges for 'European Vagrants.' (Appendix A. 37).
- (26). Rs. 1,476 were added to 'Office rent, rates and taxes' for ground-rent. (Appendix A. 38).
- (27). Rs. 768 were added to 'Minor Departments' on account of the office establishment of the Deputy Surgeon-General, Presidency Division, Marine Branch. (Appendix A. 40).
- (28). Rs. 13,600 were added to the same head as the preceding on account of Botanical Gardens. (Appendix A. 39).
- (29). The charges on account of lock-ups for under-trial prisoners were transferred to 'Jails,' Provincial, with an additional grant amounting to Rs. 47,168. (Appendix A. 43).
- (30). Rs. 2,763 were deducted from the Provincial allotment under Miscellaneous on account of the sale proceeds of old Records. (Appendix A. 34).
- (31). Rs. 2,400 were reduced on account of the salary of a clerk transferred from 'Printing' to the Secretariat, the charge for which remained Imperial. (Appendix A. 36).
- (32). Rs. 21,600 were deducted from the Provincial allotment on account of the capitalised value of the rent of the Small Cause Court. (Appendix A. 32).
- (33). Rs. 1,48,270 were added as compensation for the disallowance of the one-anna cess on the Excise revenue. (Appendix A. 56).
- (34). The following special grants were also made by the Government of India :—
- (a). Rent for the Small Cause Court, Bombay, Rs. 14,028. (Appendix A. 32.)
 - (b). Arrear charges on account of the Cantonment lock-up at Deesa, Rs. 1,889, added to 'Jails.' (Appendix A. 33).
 - (c). Arrear charges on account of the salary of a Kotwal in Deesa cantonment, Rs. 3,593, added to 'Police.' (Appendix A. 44).
 - (d). A further grant for the construction of Salt buildings amounting to one lakh. (Appendix A. 42).
 - (e). A donation of Rs. 8,000 to the Strangers' Friend Society. (Appendix A. 41).
- (35). The special allotment for Botanical Gardens adjusted in 1872-73 was Rs. 17,000 gross. This was made net and reduced in 1873-74 to Rs. 13,600, which amount (28 above) was taken as the allotment for the year, hence a gross deduction of Rs. 17,000 or a net deduction of Rs. 3,400 was made under 'Minor Departments.' (Appendix A. 39).
- (36). Rs. 2,804 were added to 'Police' on account of the Sholapur town police. (Appendix A. 47).
- (37). Deduct from the grand total Rs. 924 reduced by the Government of India from the actual figures for the sake of round numbers.

8. In the year 1874-75 the following changes took place—

- (38). Rs. 15,000 were added to Minor Departments on account of Model Farms by the Budget notes.

- (39). Rs. 26,480 were added to 'Jails' on account of the expenses of Aden Jail. (Appendix A. 45).
- (40). Rs. 7,000 were added to 'Medical' for vaccine charges in Káthiáwár. (Appendix A. 48).
- (41). Rs. 7,317 were added to 'Miscellaneous' on account of European vagrancy charges. (Appendix A. 51).
- (42). Rs. 600 were added to 'Medical' on account of an allowance of Rs. 50 a month to the Medical officer at Mount Abu for the charge of the Lawrence Asylum and the civil establishments. (Appendix A. 49).
- (43). Rs. 6,182 were added to 'Jails' on account of the Rájkot Jail. (Appendix A. 50).
- (44). Rs. 1,104 were added to 'Office-rent, rates and taxes' on account of the conservancy charges made against certain departments. (Appendix A. 52).
- (45). Rs. 108 were added to the same grant as the preceding on account of a similar charge against the Custorus Department. (Appendix A. 55).
- (46). Rs. 3,800 were added to 'Jails' on account of charges incurred on behalf of under-trial prisoners. (Appendix A. 53).
- (47). Rs. 447 were added to 'Medical' on behalf of the Sehwan Dispensary. (Appendix A. 57).
- (48). Rs. 900 were added to 'Police' on account of additional preventive excise police in Násik. (Appendix A. 58).
- (49). Rs. 300 were added to 'Jails' to provide for an Hospital Assistant in the Rájkot Jail. (Appendix A. 41).
- (50). Rs. 652 were added to 'Jails' to provide for the maintenance of prisoners confined in Civil Jails. (Appendix A. 62).
- (51). Rs. 33,150 were deducted from 'Miscellaneous' by reason of the transfer to Imperial of the charge for 'Civil Servants out of employ.' (Appendix A. 46).
- (52). Rs. 728 were deducted on account of the allotment to Local Funds of the one anna cess on the Excise revenue for 1874-75. (Appendix A. 60).
- (53). Deduct further Rs. 159 on account of figures differing from actuals and adopted for round numbers.
- (54). Special grant added to 'Miscellaneous' for arrears of European vagrancy charges amounting to Rs. 18,651, viz. 1871-72, Rs. 4,017; 1872-73, Rs. 7,317; 1873-74, Rs. 7,317. (Appendix A. 51).
- (55). Special grant for arrear charges due to Medical Officer at Mount Abu, being Rs. 1,084, added to 'Medical.' (Appendix A. 54).
- (56). Special grant added to 'Public Works' for the petty construction and repairs of buildings in the Salt Department, Rs. 14,000. (Appendix A. 61).
- (57). Further special deduction of allotment to Local Funds of one-anna cess on Excise for 1873-74, Rs. 728. (Appendix A. 60).

9. During 1875-76 the following changes took place :—

- (58). Rs. 4,500 were added on account of 'Printing' performed for the Public Works and Railway Departments of the Secretariat. (Appendix A. 63).
- (59). Rs. 3,096 were added to 'Jails' on account of the cost of guarding civil 'Jails' (for 8 months). (Appendix 69).
- (60). Rs. 16,999 were deducted on account of the retransfer of charges for Public Works connected with the Salt Department to Imperial. (Appendix A. 65).
- (61). Rs. 8,060 were deducted on the retransfer of the charges for Perim Light-house under 'Marine' to Imperial. (Appendix A. 68).
- (62). Rs. 2,202 were deducted on account of Public Works charges on Light-houses having been transferred to Imperial. (Appendix A. 71).
- (63). Difference between actuals and the round numbers given by the Government of India involves a deduction of Rs. 256.
- (64). A special grant of Rs. 50,000 was given for the Godhra and Dohad road. (Appendix A. 73).
- (65). A special grant of Rs. 12,000 was made on account of arrear charges for "Printing" done for the Public Works Department and Railway Departments of the Secretariat. (Appendix A. 67).
- (66). A deduction of Rs. 14,000 was made on account of the special grant made for petty construction and repairs of Salt buildings in 1874-75 to be expended in 1875-76 but the charge now became Imperial. (Appendix A. 66).

10. During 1876-77 the following changes were made in the allotment:—

- (67). Rs. 3,000 were added to "Minor Departments" on account of 'Exhibitions and Fairs.' (Appendix A. 64).
- (68). Rs. 1,548 were added to 'Jails,' being the difference between the grant for eight months and the grant for the whole year permanently given in 1875-76 for guards for Civil Jails, the former sum only having been adjusted in 1875-76. (Appendix A. 69).
- (69). Rs. 25,100 were added to "Police" on account of 'fees and fines' levied by Police Magistrates in the town of Bombay transferred to Imperial Revenues. (Appendix A. 72).
- (70). Rs. 640 to "Jails" on account of a reduction made in error by the Government of India. (Appendix A. 73).
- (71). Difference between actual figures and those taken by the Government of India for round numbers, Rs. 1,085.
- (72). A special grant was made to "Police" of Rs. 30,215 on account of increased Police charges for grants of lands and villages in the Dhárwár district. (Appendix A. 75).
- (73). A special grant was made to Local Funds of Rs. 7,500 annually with effect from the 1st August 1877 (1877-78) on account of the abolition of the one-anna cess on the Excise revenue in the Poona Cantonment. (Appendix A. 74).
- (74). Rs. 19,000 were reduced from the Public Works grant on account of charges in the Deesa and Abu Divisions transferred to Imperial. (Appendix A. 79).

Table showing the Allotment for the years 1871-72 to 1876-77.

Year.	Jails.	Registration.	Police.	Educational.	Medical.	Printing.	Ecclesiastical.	Rents, Rates and Taxes.	Minor Departments.	Miscellaneous.	Marine.	Difference for round numbers.	Grant to Local Funds for one anna cess.	Public Works Department.	Total net allotment.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1871-72	6,78,224	68,831	35,21,861	10,03,140	3,26,948	2,66,806	..	..	..	..	..	..	..	27,23,852	89,51,000
1872-73	6,81,344	68,831	35,29,323	9,99,940	3,95,798	2,67,406	4,000	2,38,000	24,350	2,55,180	..	..	..	37,05,852	1,06,32,289
1873-74	7,81,401	68,831	35,33,200	9,99,940	9,00,798	2,65,006	4,000	2,34,124	31,618	2,68,417	8,060	-942	1,46,270	28,32,632	98,77,913
1874-75	7,66,926	68,831	35,33,507	9,99,940	9,09,929	2,65,006	4,000	2,21,308	36,618	2,58,235	8,080	-1,101	1,46,814	27,46,852	98,27,268
1875-76	7,70,022	68,831	35,33,507	9,99,940	9,08,845	2,81,508	4,400	2,21,308	36,618	2,39,584	..	-1,307	1,47,542	37,49,601	98,22,385
1876-77	7,72,210	68,831	35,88,822	9,99,940	9,08,845	2,89,508	4,000	2,21,308	39,618	2,89,584	..	-2,422	1,47,542	26,94,651	98,14,758

Note.—Special Grants are Grants for the year, and these must be taken into account in adding to or deducting from the net Grant for any one year the grants or deductions made in the succeeding year.

References to explanations of the alterations:—

- 1 See 9 above.
- 2 See 5, 11 above.
- 3 See 16 above.
- 4 See 7 above.
- 5 See 10 above.
- 6 See 3 above.
- 7 See 2 above.
- 8 See 5, 13, above.
- 9 See 3, 4, 5, 6, 12 above.
- 10 See 17, 18 above.
- 11 See 23, 29, 34 above.
- 12 See 24, 34, 36 above.
- 13 See 22 above.
- 14 See 31 above.
- 15 See 20, 26, 32, 34, above.
- 16 See 27, 28, 35 above.
- 17 See 25, 30, 34 above.
- 18 See 21 above.
- 19 See 33 above.
- 20 See 19, 34 above.
- 21 See 39, 41, 46, 49, 50 above.
- 22 See 48 above.
- 23 See 40, 42, 47, 55 above.
- 24 See 44, 45 above.
- 25 See 38, above.
- 26 See 41, 51, 54 above.
- 27 See 52, 57 above.
- 28 See 56 above.
- 29 See 59 above.
- 30 See 55 above.
- 31 See 58, 65 above.
- 32 See 54 above.
- 33 See 61 above.
- 34 See 57 above.
- 35 See 56, 60, 62, 64, 66 above.
- 36 See 63, 70 above.
- 37 See 69, 72 above.
- 38 See 65 above.
- 39 See 67 above.
- 40 See 64, 66, 74 above.

11. We have now to take up each head of receipt and charge in the order in which it has been recorded in the previous statements and see how far the contract has worked favourably or unfavourably.

Jails. First on the list comes the receipts and charges on account of jails:—

Heads.	1871-72.	1872-73.	1873-74.	1874-75.	1875-76.	1876-77.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assignment	6,640	6,640	6,640	6,640	6,640	6,640	39,840
Actual Receipts.							
Manufactures	9,207	4,258	1,26,136	1,36,971	1,65,904	1,72,087	6,14,563
Convict labour	18,588	71,480	47,683	34,314	34,837	22,177	2,29,098
Printing ... ..	...	...	1,493	...	...	...	1,496
Miscellaneous... ..	...	5,599	1,23,767	48,614	40,456	32,483	2,50,919
Recoveries	4,265	35,686	31,669	39,257	26,757	29,825	1,67,459
Total ...	32,060	1,17,032	3,30,751	2,59,156	2,67,954	2,56,572	12,63,525
Net Grant ...	6,78,224	6,81,344	7,31,401	7,66,926	7,70,022	7,72,210	44,06,127
Grand Total ...	7,40,284	7,98,376	10,62,152	10,26,082	10,37,976	10,28,782	56,63,652

Heads.	1871-72.	1872-73.	1873-74.	1874-75.	1875-76.	1876-77.	Total.
<i>Actual Charges.</i>	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Superintendence	34,378	31,399	31,946	34,079	31,346	33,194	1,96,342
House of Correction... ..	50,725	49,031	51,440	48,732	45,409	42,953	2,88,290
Common Jail... ..	43,055	43,409	39,380	41,809	39,315	38,416	2,45,384
Convict charges	18,620	16,553	9,398	12,191	10,064	6,843	73,869
Central Jail			84,707	80,906	1,13,164	86,629	8,36,950
District Jail	4,95,509	4,71,544	3,77,213	3,80,653	3,87,870	3,99,927	20,41,172
Subordinate Jails		63,732	1,02,240	83,086	49,239	64,893	3,63,190
Civil Jails			3,609	4,593	5,842	6,187	20,231
Jail manufactures			97,902	94,238	1,16,034	1,22,586	4,30,760
European Vagrancy... ..		5,506					5,506
Jail Printing Press			980			759	1,739
School of Industry						13,665	13,665
Total	6,42,287	6,81,174	7,98,815	7,80,287	7,98,283	8,16,052	45,16,898
Difference	+67,997	+1,17,202	+2,63,337	+2,45,795	+2,39,693	+2,12,730	11,46,754

In 1872-73 Rs. 5,506 on account of "European Vagrancy Charges" shown in the Budget under "Minor Departments" are brought here. In 1873-74 the receipts (Rs. 1,497) and charges (Rs. 930) on account of Jail presses are brought here from "Printing". In 1874-75 the receipts (Rs. 1,382) and the charges (Rs. 1,086) on the same account were transferred to "Printing" again. In the same year Rs. 12,007 on account of Reformatories were transferred to "Education". In 1875-76 the same items were similarly disposed of: Jail Press receipts, Rs. 1,929 and charges Rs. 1,563 and Reformatory charges, Rs. 12,930. In 1876-77 there is a difference of Rs. 88 between the Budget and the statement due to the amount of convict charges there omitted as an Imperial charge. The value of convict labour employed on public works began to be credited to this head from 1872-73 (G. R. 1452, dated 1st April 1872). An addition is made to the receipts in 1873-74 of Rs. 1,496 on account of realisations from gardens and extra-mural convict labour due to the abolition of the Jail local fund (G. R. 3024, dated 3rd October 1872). Jail Press charges were transferred from Printing to this head in the statement for 1876-77, but the receipts remained under the former head. Reformatory charges were retransferred here in 1876-77, but the grant remained under the former head. For convenience and accuracy we shall speak of the 'assignment of receipts' and the 'sanctioning of grants', and shall restrict the use of the word 'allotment' to the final debit to the Government of India and credit to the Government of Bombay made at the closing of the final accounts. It is somewhat difficult to institute a perfectly correct comparison between the contract figures and those of each year under particular heads, as only those items that were present on both sides of the account when the contract was made should be considered: all others should be eliminated. This would, however, entail a re-compilation of the whole accounts from 1871, and the result would, perhaps, hardly repay the trouble as here we have chiefly to look to the general outcome of the entire contract. Taking this the Local Government appears to be better under this head on the six years by Rs. 11,46,754, the sum by which the account receipts exceed the account expenditure, but were the adjustments referred to above applied this result would have to be modified.

12. The receipts and charges on account of "Registration" are represented by a debit of Rs. 68,831 against the Local Government. In 1876-77 the receipts from record-rooms were brought to this head from "Miscellaneous".

The following statement shows the receipts and charges from 1871-72 to 1876-77:—

Heads.	1871-72.	1872-73.	1873-74.	1874-75.	1875-76.	1876-77.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assignment	3,01,410	3,01,410	3,01,410	3,01,410	3,01,410	3,01,410	18,08,460
<i>Actual Receipts.</i>							
Fees and Fines	2,75,302	3,07,933	2,76,010	2,44,957	2,30,907	2,38,001	15,73,110
Revenue record-room receipts						19,058	19,058
Total	2,75,302	3,07,933	2,76,010	2,44,957	2,30,907	2,57,059	15,92,168
Net Grant	-68,831	-68,831	-68,831	-68,831	-68,831	-68,831	-4,12,986
Grand Total	2,06,471	2,39,102	2,07,179	1,76,126	1,62,076	1,88,228	11,79,182

Heads.	1871-72.	1872-73.	1873-74.	1874-75.	1875-76.	1876-77.	Total.
<i>Actual Charges.</i>	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Registrar General and Deputy ...	26,471	26,400	26,400	23,637	16,541	23,783	1,43,232
District Registrars, including commission	1,35,368	1,44,379	1,42,479	1,34,320	1,36,157	1,35,507	8,28,210
Marriage Registrars	750	750	737	...	...	...	2,237
Establishment	53,607	51,312	50,208	48,462	47,225	47,467	2,98,281
Inspectors of Registration ... ..	...	...	5,941	8,347	6,159	6,074	26,521
Miscellaneous	24,207	24,089	20,876	19,299	22,604	23,773	1,34,648
Revenue record-room charges ... ..	...	...	...	...	...	7,460	7,460
Total ...	2,40,403	2,46,930	2,46,441	2,34,065	2,28,686	2,44,064	14,40,589
Difference ...	-33,932	-7,828	-39,262	-57,939	-66,610	-56,836	-2,61,407

The charges appear to me to be very high compared with other provinces, and the general result therefore shows the Local Government worse by Rs. 2,61,407. This ought not to be, for in Bengal and the North-West Provinces the Department more than pays its own way. Great changes seem to have taken place in 1873-74 when Rs. 17,620 were added for Inspectors and from November 1874 one-third of this expenditure, and the salary of the Inspector General were debited to 'Stamps' (G. R., Financial Department, 4225, dated 9th July 1874).

13. The figures given under "Police" are a good deal complicated by numerous changes that have taken place and which have been referred to in the preceding paras. and in the appendix. The general outcome is that the Local Government has been worse by Rs. 6,80,771, but there is little doubt that economy might reduce these charges somewhat.

Heads.	1871-72.	1872-73.	1873-74.	1874-75.	1875-76.	1876-77.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assignment	1,40,000	1,40,000	1,40,000	1,40,000	1,40,000	1,40,000	8,40,000
<i>Actual Receipts.</i>							
Contributions	5,570	...	...	52,193	52,876	52,836	1,63,475
Receipts on account of Police supplied to other Districts at 10 per cent.	1,11,282	31,406	1,29,407	96,647	91,509	19,801	4,80,052
Receipts on account of Pension ..	...	...	...	...	...	7,858	7,858
Receipts on account of Pay of Village Police ... ..	...	10,289	10,567	9,122	13,634	5,960	49,572
Railway Police Superintendents ..	71,185	80,572	1,92,520	1,96,521	2,00,206	22,561	7,63,565
Receipts under Act XXX. of 1860	...	...	...	51	333	749	1,133
Fees, fines and forfeitures	27,790	26,008	32,790	27,875	24,791	2,336	1,41,590
Miscellaneous	14,821	33,299	63,136	21,314	32,007	22,983	1,87,660
Total ...	2,30,648	1,81,574	4,28,420	4,03,723	4,15,356	1,35,084	17,94,805
Net Grant ...	35,21,861	35,29,323	35,33,200	35,33,507	35,33,507	35,88,822	2,12,40,220
Grand Total ...	37,52,509	37,10,897	39,61,620	39,37,230	39,48,863	37,23,906	2,80,35,025
<i>Actual Charges.</i>							
Presidency Police	65,472	63,967	65,968	66,689	1,53,675	1,55,199	5,70,970
Superintendence	9,968	10,222	10,249	10,811	10,395	10,919	62,564
District Executive Force	32,38,050	32,46,025	32,80,714	32,71,738	32,17,120	31,92,505	1,94,46,152
Railway Police	70,776	79,216	1,93,115	1,91,839	1,93,219	20,879	7,49,044
Village Police	4,32,261	4,62,458	4,64,495	4,64,567	4,63,448	5,99,837	28,87,066
Total ...	38,16,527	38,61,888	40,14,541	40,05,644	40,37,857	39,79,339	2,37,15,796
Difference ...	-64,018	-1,50,991	-52,921	-68,414	-88,994	-2,55,433	-6,80,771

Some of the principal charges requiring notice are the adjustments on account of pay and ten per cent. supervision for police supplied to municipalities, private persons and as a punitive measure. Funds were wound up and adjusted in 1872-73-74. Nominal adjustments on account of Railway Police were made during 1874-75-76, but were discontinued in 1876-77. The contribution of one lakh to the Bombay Municipality towards the cost of the police was withdrawn in 1871-72 and again granted in 1875-76 at Rs. 90,000.

14. Educational institutions flourish in Bombay, and notwithstanding the large expenditure on schools and colleges and in grants-in-aid, the general result of the contract is that the Local Government is better by Rs. 1,21,107 on the six years of the old contract—

Heads.	1871-72.	1872-73.	1873-74.	1874-75.	1875-76.	1876-77.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assignment	1,04,800	1,04,800	1,04,800	1,04,800	1,04,800	1,04,800	6,28,800
<i>Actual Receipts.</i>							
Fees, Government Colleges ...	36,388	40,280	1,22,504	1,19,981	1,27,602	1,29,598	5,76,353
Ditto Schools ...	24,962	41,875	36,562	36,140	33,968	34,548	2,08,055
Income from Endowments ...	...	...	30,046	36,036	29,532	27,203	1,22,817
Contributions ...	4,212	5,735	6,308	1,127	85	...	17,467
Sale proceeds of books ...	23,453	55,092	31,836	2,509	5,389	12,844	1,31,123
Miscellaneous ...	...	...	...	...	...	...	...
Total ...	89,015	1,42,982	2,27,256	1,95,793	1,96,576	2,04,193	10,55,815
New Grants ...	10,03,140	9,99,940	9,99,940	9,99,940	9,99,940	9,99,940	60,02,840
Grand Total ...	10,92,155	11,42,922	12,27,196	11,95,733	11,96,516	12,04,133	70,58,655
<i>Actual Charges.</i>							
Bombay University ...	39,500	43,029	41,979	42,927	43,181	41,835	2,52,451
Direction ...	2,16,489	2,27,701	2,29,566	35,674	2,40,990	35,969	13,92,545
Inspection ...	1,42,155	1,77,202	1,92,866	2,06,041	1,90,870	2,00,115	10,52,070
Government Colleges ...	3,66,472	3,89,603	3,05,002	1,70,727	3,05,208	1,78,250	19,65,094
Government Schools ...	31,244	30,907	42,965	3,01,459	44,065	2,97,350	2,39,080
Normal Schools and Training Col- leges ...	15,000	11,328	29,019	44,796	20,477	45,103	1,19,307
Technical Schools ...	24,274	24,595	28,735	23,232	27,862	20,251	1,60,097
Scholarships ...	15,064	11,022	25,498	27,862	27,861	26,750	76,707
Grants for the encouragement of literature ...	19,325	21,224	20,271	9,700	7,823	7,600	1,03,041
Government Book Depôts ...	1,25,465	1,12,491	2,90,713	18,344	12,328	11,549	15,19,596
Grants-in-aid ...	10,464	15,772	3,581	8,64,718	3,18,241	3,07,968	57,560
Miscellaneous ...	...	...	...	17,911	6,077	3,755	...
Total ...	10,05,452	10,64,874	12,10,195	12,63,391	12,17,141	11,76,495	69,37,648
Difference ...	+86,703	+78,048	+17,001	-67,658	-20,625	+27,638	+1,21,107

In 1871-72 charges amounting to Rs. 1,318 on account of the Gazetteer were excluded from the Budget but the actuals were recorded under this head. The following items entered under a distinct head "Allotment to Local Funds" in the Budget are shown in this statement here:—

Gujarāt Provincial College ...	Rs. 2,800
Rustomji Jamsetjee Jejeebhoy Gujarāti School ...	Rs. 3,500
	<u>6,300</u>

In 1872-73 Rs. 2,626 and Rs. 3,500 on account of contributions to the above institutions were shown in the Budget under "Allotment to Local Funds."

In 1873-74, the Educational Press receipts, amounting to Rs. 4,468 included in this statement under this head, are shown in the Budget under "Printing." The following contributions exhibited in the Budget under "Allotment to Local Funds" are shown in this statement under this head:—

Gujarāt Provincial College ...	Rs. 2,800
Rustomji J. J. Gujarāt School ...	Rs. 2,260
Local Fund Schools ...	Rs. 1,92,140
	<u>1,97,200</u>

In 1874-75 Certificate Fees amounting to Rs. 5,080, shown in the Budget under "Miscellaneous," are exhibited here in this statement. The following items entered in the Budget under different heads are exhibited in this statement here, and an expenditure of Rs. 4,482 of the Sind Educational Press entered in the Budget under "Printing" is shown here.

					Rs.
Maintenance charges of juvenile prisoners in the Reformatory School	...	...	...	...	12,007
AlLOTment to Local Funds—					Rs.
Contribution to Rustomji J. J. Gujaráti School	...	...	...	...	2,260
Local Funds Schools	...	...	...	...	2,09,677
					<u>2,11,937</u>
					2,23,944

In 1875-76 Certificate receipts, amounting to Rs. 5,963, shown in the Budget under "Miscellaneous," are included here in this statement. The following items entered under different heads in the Budget are also exhibited under this head—

					Rs.
Maintenance of boys in the Reformatory Schools	...	...	...	...	12,930
Pleadership Examination charges	...	...	...	...	450
					Rs.
Contribution to Rustomji Jamsetji Jijibhoy Gujaráti School	...	...	...	...	2,260
Local Fund Schools	...	...	...	...	2,12,680
					<u>2,14,940</u>
					2,28,320

In 1876-77 Rs. 40,876, being the contribution to Local Funds schools, are shown in this statement under "Allotment to Local Funds," whereas in the Budget they are exhibited here.

In 1871-72 the transactions of the Elphinstone College and School Funds, and in 1872-73 those of the Sir Jamsetji Jijibhoy School of Art, were transferred to this head from Local Funds. In 1873-74 receipts and charges connected with other educational endowments were transferred to this head from Local Funds, consequent on the separation of English from Vernacular schools the former are treated as Provincial and the latter as Local Fund schools. In the last mentioned year school fee funds were abolished and the transactions were brought under this head.

15. Under Medical, receipts from private contributions, fees from paying patients in Government hospitals and other miscellaneous items made up a sum of Rs. 3,62,584 during the six years and which was properly omitted from the contract. The consequence, however, of the inclusion of these items in the accounts is that 'Medical' is better on the whole period by Rs. 4,58,143. The actual receipts, grant and charges have been as follows :—

Assignment	1871-72.	1872-73.	1873-74.	1874-75.	1875-76.	1876-77.	Total.
	Rs. Nil.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<i>Actual Receipts.</i>							
Medical College fees	...	1,310	2,816	5,035	7,715	7,425	24,301
Fees from paying patients in Government Hospital and Lunatic Asylum	9,775	11,587	14,371	18,056	20,452	20,685	94,926
Interest on Funded Capital	...	12,540	14,756	15,607	16,959	15,997	75,859
Contributions	720	4,591	3,520	21,357	41,450	41,100	1,12,738
Miscellaneous	...	8,193	10,457	10,792	11,880	13,438	54,760
Total	10,495	38,221	45,920	70,847	98,456	98,645	3,62,584
Net Grant	8,26,948	8,95,798	9,00,798	9,09,929	9,08,845	9,08,845	53,51,163
Grand Total	8,37,443	9,34,019	9,46,718	9,80,776	10,07,301	10,07,490	57,13,747
<i>Actual Charges.</i>							
Vaccination	94,394	96,333	1,02,333	1,08,530	1,42,966	1,33,614	7,98,392
Sanitary Commissioner	30,842	29,443	30,457	29,380	...	...	...
Grant Medical College	37,294	37,338	42,658	40,213	40,289	43,294	2,41,086
Hospital and Dispensaries	5,45,351	5,63,945	5,09,353	4,95,187	4,91,337	5,08,034	31,13,257
Lepor Hospital, Ratnágiri	...	...	...	...	2,862	4,103	6,965
Lunatic Asylums	1,25,006	1,02,507	92,921	86,738	87,162	91,489	5,85,823
Chemical Examiner	13,575	13,662	14,530	15,401	14,700	15,092	86,960
Grant for Medical purposes	14,356	27,505	32,725	86,817	1,08,720	1,07,640	3,77,763
Lock Hospital	39,658	5,700	...	...	...	...	45,358
Total	9,00,476	8,76,433	8,24,977	8,62,366	8,88,066	9,03,266	52,85,604
Difference	- 63,033	+ 57,586	+ 1,21,741	+ 1,18,410	+ 1,19,215	+ 1,04,224	+ 4,58,143

The interest on the Book Debt of the Sir Jamsetji Jijibhoy Hospital and Obstetric Institution was credited to this head from 1872-73 under Comptroller General's order No. 1230, dated 12th August 1871. The endowment balance of the Hathising Premabhoy Hospital at Ahmedabad was invested in Government securities and interest thereon carried to the credit of this head from 1873-74 (Government Resolution No. 3554, dated 4th October 1872). From 1874-75 the Bombay Municipality commenced to contribute at the rate of Rs. 36,000 per annum towards the maintenance charges of the Gokuldas Tejpal Hospital which was opened that year. The Bombay Lock Hospital was abolished in May 1872.

16. Under Government "Printing" the receipts allow for the proceeds of sale of Government Gazettes and job work of several descriptions amounting to Rs. 1,05,784 in the six years and the general result shows the Local Government better by Rs. 1,97,797. The following table shows how this figure has been arrived at:—

	1871-72.	1872-73.	1873-74.	1874-75.	1875-76.	1876-77.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assignment	Nil.	...	...	..	...	...	...
<i>Actual Receipts.</i>							
Sale of Gazettes and other publications	7,558	9,306	7,499	8,097	5,988	11,954	50,402
Other Press receipts ... ..	...	5,852	14,854	22,003	31,885	31,190	1,05,784
Miscellaneous ... ..	...	...	8,681	8,719	5,034	1,598	24,032
Total ...	7,558	15,158	31,034	38,819	42,907	44,742	1,80,218
Net Grant ...	2,66,806	2,67,406	2,65,006	2,65,006	2,81,506	2,69,506	16,15,236
Grand Total ...	2,74,364	2,82,564	2,96,040	3,03,825	3,24,413	3,14,248	17,95,454
<i>Actual Charges.</i>							
Bombay Secretariat Press	1,14,565	85,141	...	...	...	...	1,99,706
Do. Central Press ... ..	...	1,78,147	2,25,263	2,00,262	1,91,433	2,15,076	10,10,181
Do. High Court Press... ..	5,284	7,188	4,708	5,170	4,427	4,712	31,489
Commissioner of Sind Press	17,898	16,034	20,286	17,753	22,041	22,568	1,16,570
Education Press, Sind ... ..	...	...	7,614	4,882	...	...	12,496
Departmental Printing Charges	1,27,427	74,719	...	6,837	2,526	3,645	2,15,154
Publication Department ... ..	...	3,342	2,650	1,199	1,070	1,152	9,413
Jail Press ... ..	...	...	...	1,085	1,563	...	2,648
Total ...	2,65,174	3,64,571	2,60,521	2,37,188	2,23,060	2,47,143	15,97,657
Difference ...	+9,190	-82,007	+35,519	+66,637	+1,01,353	+67,105	+1,97,797

In 1873-74 Rs. 1,407 on account of Jail Press receipts and Rs. 4,468 on account of the Educational Press in Sind exhibited in the Budget actuals under this head are shown in this statement under "Jail" and "Education" respectively. Rs. 980 on account of the Jail Press charges entered in the Budget here are shown in this statement under "Jails."

In 1874-75 Rs. 1,382 on account of Jail Press receipts exhibited in the Budget under "Jails" are recorded here under this head. Rs. 1,085 on account of Jail Press charges and Rs. 4,882 on account of the Educational Press in Sind exhibited in the Budget under "Jail" and "Education" are shown in the statement under this head.

In 1875-76 Jails Press receipts Rs. 1,929 and expenditure Rs. 1,562 shown in the Budget under Jails are exhibited here in this statement.

In 1876-77 Rs. 2,309 on account of office rent entered in the Budget under this head are shown in this statement under an independent head "Office Rent, Rates and Taxes."

17. The following statement shows the receipts and charges under the contract head "Office rent, rates and taxes", with the result that the Local Government is better by Rs. 1,10,192, chiefly due to reductions in charges and transfers. The sum of Rs. 2,309, shown in the Budget under "Printing" is brought here in 1876-77.

Heads.	1871-72.	1872-73.	1873-74.	1874-75.	1875-76.	1876-77.	Total.
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assignment	Nil.	...	...	...	...	...	.....
Grant	2,38,000	2,34,124	2,21,308	2,21,308	2,21,308	11,36,048
<i>Actual Charges.</i>							
Land Revenue	23,962	26,614	7,246	6,607	6,235	70,664
Assessed Taxes	1,800	450	...	...	...	2,250
Excise	100	80	228	156	156	720
Forest	2,090	2,007	2,139	2,452	8,688
Customs	903	1,180	1,184	1,251	2,913	7,431
Salt	2,692	2,771	596	456	527	7,042
Stamp and Stationery	1,912	2,160	1,790	1,608	2,310	9,780
Administration	22,974	14,065	3,351	3,331	8,312	47,033
Law and Justice	95,517	90,767	90,821	90,632	86,911	4,54,648
Ecclesiastical	371	809	809	809	809	3,607
Political Agencies...	3,752	1,800	1,800	1,800	2,148	11,300
Minor Departments	300	300	150	300	1,050
Miscellaneous	74,897	99,717	62,005	89,175	75,849	4,01,643
Total	2,28,880	2,42,803	1,72,137	1,98,114	1,83,922	10,25,856
Difference	+ 9,120	- 8,679	+ 49,171	+ 23,194	+ 37,356	+ 1,10,192

18. "Minor Departments" includes many discordant items. In 1872-73 Rs. 5,506 on account of European Vagrancy charges and Rs. 5,675 on account of "Cemeteries" shown under this head in the Budget were transferred to "Jails" and "Miscellaneous" respectively. On the other hand Rs. 70,307 on account of District Dák charges and Rs. 90 on account of the Sátára Aqueduct charges were brought here from "Miscellaneous." In 1873-74 the sum of Rs. 5,529 on account of "Cemeteries" was transferred to Miscellaneous as well as Rs. 194 erroneously shown under District Dák but really on account of the destruction of old records. In 1874-75-76 the following items recorded in the Budget under "Miscellaneous" are shown here, and in addition charges incurred during those years on account of the establishment of the Marine branch of the Deputy Surgeon General's Office and shown in the Budget under the head 'Marine' are also entered here:—

	1874-75.	1875-76.
Cemeteries	6,692	7,734
Travellers' Bungalows	684	822
Allowance to the Superintendent of Pánchgani .	1,200	1,200
	<u>8,576</u>	<u>9,756</u>
Establishment of the Deputy Surgeon General, Marine Branch	1,576	1,849
Net difference ... Rs.	<u>7,028</u>	<u>7,907</u>

The following table shows the revised accounts under this head:—

Heads.	1871-72.	1872-73.	1873-74.	1874-75.	1875-76.	1876-77.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assignment	Nil.	...	...	...	...	...	.....
Grant ... ..	...	1,13,650	1,11,018	1,26,018	1,26,018	1,26,018	6,02,722
<i>Actual Charges.</i>							
Establishment of Audit and Account	6,132	15,542	22,275	22,884	23,937	24,237	1,15,007
Victoria Albert Museum... ..	...	8,880	8,958	8,109	4,020	3,302	28,269
Botanical Garden ... ..	...	...	31,634	16,074	16,774	15,793	80,255
Miscellaneous Establishments ... ..	...	452	1,164	1,914	2,705	2,134	8,369
District Dák charges ... ..	...	70,307	79,833	85,070	86,524	88,637	4,10,371
Improvement of Agriculture and Trade ... ..	...	...	...	...	...	...	.....
Model Farms ... ..	...	...	...	17,704	14,740	13,502	45,946
Total	6,132	95,181	1,38,864	1,51,755	1,48,680	1,47,605	6,88,217
Difference	-6,132	+ 18,469	- 27,846	- 25,737	- 22,662	- 21,587	- 85,495

These figures differ in arrangement from the summary given at page 6, but the total of Ecclesiastical (now found under 'Miscellaneous'), Minor Departments and Miscellaneous given there will be the same as the total of "Minor Departments" and "Miscellaneous" here.

19. The receipts and charges under the head 'Miscellaneous' are shown in the following statement. At the time of forming the contract no account was taken of receipts since brought to credit here and amounting to Rs. 2,54,521 in the six years:—

Heads.	1871-72.	1872-73.	1873-74.	1874-75.	1875-76.	1876-77.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assignment	Nil	...	...	...	...	...	...
<i>Actual Receipts.</i>							
Rents ... ..	...	...	628	1,352	1,896	1,864	5,740
Miscellaneous fees and fines ...	...	2,611	2,055	4,340	18,154	11,058	38,218
Sundry receipts	7,519	21,352	53,672	60,760	36,887	30,373	2,10,563
Total	7,519	23,963	56,355	66,452	56,937	43,295	2,54,521
Net Grant ... ..	...	1,69,780	1,83,017	1,72,835	1,54,184	1,57,184	8,37,000
Grand Total	7,519	1,93,743	2,39,372	2,39,287	2,11,121	2,00,479	10,91,521
<i>Actual Charges.</i>							
Travellers' Bungalow, Foreign State ... ..	...	938	717	684	822	571	3,732
Allowances to Civil Servants out of employ ... ..	...	16,092	15,955	3,600	...	22	35,669
Charges for the improvement of Record-room ... ..	...	...	...	6,404	4,246	...	10,650
Donation for charitable purposes ...	...	21,735	21,827	20,032	19,407	19,576	1,02,577
Rewards for destruction of wild animals, &c. ... ..	...	9,958	13,668	9,939	10,068	11,404	55,037
Ahmedabad Flood charges ... ..	...	...	...	...	...	2,03,541	2,03,541
Cost of Books and publications ...	...	13,606	10,802	7,306	5,656	4,712	42,082
Charges on account of European vagrants ... ..	...	...	10,352	6,491	9,088	7,341	33,272
Examination and destruction of old records ... ..	...	4,314	3,134	3,994	1,180	681	13,303
Furniture proper, Government House ... ..	...	2,988	4,996	5,231	5,000	...	18,215
Miscellaneous ... ..	...	9,915	29,019	20,110	75,578	8,716	1,43,338
Cemeteries ... ..	...	5,675	5,335	6,692	7,734	7,913	33,349
Allowances to Superintendent of Panchgani ... ..	...	1,200	1,197	1,200	1,200	857	5,654
Grants to Station Fund ... ..	...	11,355	11,450	11,450	11,450	11,450	57,155
Donation to Káthiáwár Road Fund ...	...	6,216	8,233	5,973	6,968	7,231	34,621
Total ... ..	...	1,03,992	1,36,685	1,09,106	1,58,397	2,84,015	7,92,195
Difference	+7,519	+ 89,751	+1,02,687	+1,30,181	+52,724	-83,536	+2,99,326

In 1871-72 the actuals entered in the statement include Rs. 1,366 on account of Cemetery receipts exhibited in the Budget under an independent head "Cemeteries."

In 1872-73 District Dák charges, Rs. 70,307, and the Sátára Aqueduct charges, Rs. 90, shown in the Budget under this head are recorded in this statement under Minor Departments; on the other hand, Rs. 5,675 on account of Cemetery charges and Rs. 17,571 on account of contribution to Sanataria and the Káthiáwár Road Fund shown in the former under "Minor Departments" and "Allotment to Local Funds" are exhibited here.

In 1873-74 Rs. 7,302 on account of Provincial rates entered here in the Budget are shown under an independent head "Provincial and Local Rates"; Rs. 5,335 and Rs. 19,683 on account of Cemetery charges and contribution to Sanataria and the Káthiáwár Road Fund were distributed as before, see above remark; on the other hand Rs. 5,405, being the amount of charges incurred for the collection of Provincial rates shown in the Budget under this head, are exhibited in this statement under an independent head "Provincial and Local Rates and Taxes."

In 1874-75 fees for searching revenue records, Rs. 10,520, exhibited in the Budget under "Registration" are shown here, and Rs. 5,080 on account

of certificate fees entered here in the Budget are shown in this statement under "Education." The following items entered under different heads in the Budget are shown in this statement here; on the other hand Rs. 397 on account of the Pleaders Examination charges entered here in the Budget are shown under "Education".

<i>Registration.</i>			Rs.
Charges on account of old records	...	...	6,404
<i>Minor Department.</i>			
Cemetery charges	...	...	6,692
Travellers' Bungalows in Foreign States	...	...	684
Allowance to the Superintendent of Páncgani	...	...	1,200
			<u>8,576</u>
<i>Allotment to Local Funds.</i>			
Contribution to Sanitaria and the Káthiáwár Road Fund	...	...	<u>17,422</u>

In 1875-76, see remarks opposite receipts for 1874-75 corresponding to the following items:—

			Rs.
Fees for searching Records...	...	...	13,381
Certificate fees ...	...	...	<u>5,963</u>

See remarks against expenditure of 1874-75 corresponding to the following items. Rs. 50,000 were charged against this head on account of Ahmedabad Flood charges, which are not included in the Budget, Rs. 450 on account of Pleaders examination charges shown here in the Budget are exhibited in this statement under "Education":—

<i>Registration.</i>			Rs.
Revenue Record-room charges	...	...	<u>4,246</u>
<i>Minor Department.</i>			
Cemetery charges	...	...	7,734
Allowance to the Superintendent of Páncgani	...	...	1,200
Travellers' Bungalows in Foreign States	...	...	822
			<u>9,756</u>
<i>Allotment to Local Funds.</i>			
Grants to Sanataria and the Káthiáwár Road Fund	...	...	<u>18,418</u>

20. The Marine receipts and charges were temporary, and resulted in a saving to the Local Government of Rs. 3,420. The accounts are as follows:—

Heads,	1873-74.	1874-75.	Total.
	Rs.	Rs.	Rs.
Assignment...	Nil.	.....	.....
Grant	8,060	8,060	16,120
<i>Actual Charges.</i>			
Perim Light-house	6,541	6,159	12,700
Total	6,541	6,159	12,700
Difference	+ 1,519	+ 1,901	+ 3,420

The charges on account of the establishment of the Marine Department of the Deputy Surgeon-General's Office are transferred to Minor Departments in these statements.

21. The grant to Local Funds on account of the one-anna excise cess commenced in 1873-74 and was applied to local purposes for public works and education, the expenditure exceeding the income in four years by Rs. 4,896. Compensation for one-anna Excise cess.

The following statement shows the grant and its distribution :—

Heads.	1873-74.	1874-75.	1875-76.	1876-77.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.
Assignment	Nil.	...	...	...	...
Grant	1,48,270	1,46,814	1,47,542	1,47,542	5,90,166
<i>Actual Charges.</i>					
District Educational Funds ...	49,423	40,876	40,876	40,876	1,72,051
District Public Works Fund ...	1,00,497	1,09,172	1,06,672	1,06,672	4,23,013
Total ...	1,49,920	1,50,048	1,47,548	1,47,548	5,95,064
Difference ...	-1,650	-3,234	-6	-6	-4,896

This comprises a grant made in lieu of the former allowance of one anna in the rupee on the excise revenue for local purposes. Two-thirds are devoted to local public works and one-third to local educational purposes, but as it was not included in the original contract, and is simply a transfer arrangement between Imperial and Local Funds, it should not be taken into account in estimating the success or otherwise of the contract arrangements.

22. Under the head Public Works we have an excess expenditure over the receipts and grants of Rs. 15,48,097, much of which is due to the increased wants which the progress in each Department gave rise to. The following statement show the receipts, grants and charges :—

Heads.	1871-72.	1872-73.	1873-74.	1874-75.	1875-76.	1876-77.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assignment	60,000	60,000	60,000	60,000	60,000	60,000	3,60,000
<i>Actual Receipts.</i>							
Rents	45,974	41,868	42,994	41,857	38,847	36,761	2,48,301
Sale of lands, houses, &c. ...	7,508	5,870	12,100	14,663	8,691	917	49,749
Provincial stock	17,220	74,269	68,071	23,728	...	...	1,83,288
Miscellaneous	2,001	4,706	11,354	10,501	29,601	30,886	95,911
Toll collection on Provincial Roads.	6,862	...	...	...	...	...	...
	34,459	34,709	175	...	...	...	69,343
Total ...	1,14,024	1,61,422	1,34,694	90,749	77,139	68,564	6,46,592
Net Grant ...	27,23,852	37,05,852	28,32,852	27,46,852	27,49,651	26,94,651	1,74,53,710
Grand Total ...	28,37,876	38,67,274	29,67,546	28,37,601	28,26,790	27,63,215	1,81,00,302
<i>Actual Charges.</i>							
Stock, Provincial ... ..	...	42,116	50,910	28,941	...	...	1,21,967
Profit and Loss ... ..	...	6,981	1,584	2,113	...	...	10,678
Original Works	16,34,855	16,83,677	24,51,491	14,93,806	...	...	...
Repairs	4,24,768	5,44,238	5,42,744	6,21,787	33,03,677	31,55,458	1,98,05,988
Establishment	6,80,763	8,02,347	8,94,245	8,92,281	...	...	...
Tools and Plant	30,843	27,040	32,833	34,135	...	...	...
Miscellaneous	1,039	853	...	...	...	...	1,892
Petty construction and repairs ...	24,196	39,427	28,320	41,775	41,462	32,694	2,07,874
Total ...	28,46,464	31,46,679	40,02,127	31,19,838	33,45,139	31,88,152	1,96,48,399
Grand Total ...	-6,588	+7,20,595	-10,34,581	-2,82,237	-5,18,349	+4,24,937	-15,48,097

The following items of receipt and expenditure were omitted from the Budget in 1871-72:—

<i>Receipt—</i>					
Contribution for village Chauries	...	...	Rs.	1,790	
Miscellaneous	...	...	"	210	
Toll collection on Imperial roads	...	...	"	34,458	
Stock, Provincial	...	...	"	17,220	
					Total ... 53,678
<i>Expenditure—</i>					
Refund	...	...	Rs.	625	
Toll collection charges	...	...	"	414	
					1,039

In 1876-77 Rs. 55,42,212 were shown, but subsequently Rs. 23,54,060 were transferred to Famine Relief charges, Imperial, the net outlay of Rs. 31,88,152 has therefore been entered in the above table.

23. The receipt "Local Rates and Taxes" accrued under Acts I. and II. of 1871 which were rescinded from 1873-74. They formed an asset, but were not formally taken into account in setting forth the contract. Receipts amounting to Rs. 7,302 and charges amounting to Rs. 5,406 have been brought here in 1873-74 from "Miscellaneous":—

Heads.	1871-72.	1872-73.	1873-74.	Total.
<i>Actual Receipts.</i>				
	Rs.	Rs.	Rs.	Rs.
Police rates on Municipalities under Act I. of 1871	91,474	1,60,887	5,354	2,57,715
Duty on Trades and under Act II. of 1871	5,35,096	2,70,322	1,948	8,07,366
Total	6,26,570	4,31,209	7,302	10,65,081
Net Grant	...	...	...	...
Grand Total	6,26,570	4,31,209	7,302	10,65,081
<i>Actual Charges.</i>				
Charges of collection and management	3,247	16,963	5,406	25,616
Total	3,247	16,963	5,406	25,616
Difference	+6,23,323	+4,14,246	+1,896	+10,39,465

24. The following statement shows the charges under "Refunds" belonging to each of the assigned "Services". They form a debit against the Local Government though not formally noticed in the contract:—

Heads.	1871-72.	1872-73.	1873-74.	1874-75.	1875-76.	1876-77.	Total.
<i>Actual Charges.</i>							
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Jails	...	762	1,667	481	2,160	7	4,315
Registration	...	642	1,339	1,611	1,681	4,136	9,529
Police	...	642	2,210	5,124	408	277	8,661
Education	...	463	2,944	2,626	1,542	1,426	9,001
Medical	...	610	1,261	535	422	2,424	5,252
Printing	...	17	1,405	68	51	512	2,053
Miscellaneous	...	871	380	717	777	2,570	5,315
Provincial and Local Rates and Taxes	...	14,674	10,854	...	...	...	25,528
Public Works	...	336	12,480	...	642	...	13,458
Total	...	-18,375	-34,540	-11,162	-7,683	-11,352	-83,112

25. For the reasons already given (paragraph 11) the result whilst giving fairly the outturn of the contract as a whole does not give it accurately under each head. To do so it would be necessary to take into account the effect of the eighty orders quoted in paragraphs 6—10 and re-cast the entire accounts without any real corresponding advantage. The rough result appears to be as follows:—

Net result better by—		Net result worse by—	
Jails (paragraph 11) ...	Rs. 11,46,754	Registration (paragraph 12) ...	Rs. 2,61,407
Education (paragraph 14) . . .	1,21,107	Police (paragraph 13) ...	6,80,771
Medical (paragraph 15) ...	4,58,143	Minor Departments (para-	
Printing (paragraph 16) ...	1,97,797	graph 18) ...	85,495
Rents and Taxes (paragraph		Public Works (paragraph 22) ..	15,48,097
17) ...	1,10,192	Refunds (paragraph 24) ...	83,112
Miscellaneous (paragraph		Total ...	26,58,882
19) ...	2,99,326		
Marine (paragraph 20) ...	3,420		
Rates and Taxes (paragraph			
23) ...	10,39,465		
Total ...	83,76,204		
Deduct worse ...	26,58,882		
Net better ...	7,17,322		

Thus I gather from the records that the result of the operation of the first decentralisation scheme is that the Bombay Government had a balance to its credit at the close of the contract of Rs. 7,17,322, which they absorbed by expenditure elsewhere. There may be some local arrangements that I may have omitted, but I have gone carefully through every order and figure myself and record the evidence in each case for altering any figures, and trust that it will be of permanent value to Government in considering these important matters.

Decentralisation Scheme of 1877-78.

26. The experience of the past led to a great extension of the decentrali-
 Scheme of 1877-78. sation policy in 1877. In his speech in the Legislative Council of the 15th March 1877, Sir John Strachey urged the necessity for fiscal reform, to enable the Government to carry out measures necessary for the regular progress and better administration of the country. He referred amongst others to the Customs, Sugar, and Salt duties, but the pressure of famine expenditure forbade their being touched. The only means by which the necessary improvement in our financial position could be gained was by great taxation, or reduction of expenditure, or increased productiveness of existing sources of revenue, or a combination of these means. No new form of Imperial taxation was then practicable, nor was any great direct reduction in expenditure feasible; but it was thought that the extension of the decentralisation scheme of 1870-71 would be productive of still further economical results. At the same time, the term 'Decentralisation' appeared to be misunderstood, for a strong central Government was absolutely necessary in India.

"It is true in many respects," said Sir John Strachey, "that what we want is to decentralise our Government, although I dislike the term 'Decentralisation,' because it conveys to many people the false notion that we desire to diminish the central authority of the Supreme Government; on the contrary, we desire to see that authority increased and made the strongest possible reality; and I am convinced that we can only maintain true Imperial control by refusing to meddle with details which the local authorities can alone understand and with which they can alone intelligently deal."

The lesson of the past showed that decentralisation, as thus understood, led to improved administration, brought about a great increase in the productiveness of existing sources of taxation and great economy in expenditure, and should new taxation become necessary, local knowledge and energy would effect much in the way of diminishing the evils that seemed inherent in any system that had been or might be adopted. Sir John Strachey then proceeded to review the results of the scheme of 1870-71 and to introduce the new scheme in the following words:—

“After nearly six years’ experience we can confidently say that the results of the new system have been thoroughly satisfactory. Objections have been made to some of the details, and Local Governments have often said that the change did not go nearly far enough; but in regard to the main principle and the general success of the new arrangements, I believe that neither the Government of India nor any Local Government has ever felt doubt. Every object with which the change of system was made has more or less been gained, the old friction between the Supreme and Local Governments has been greatly diminished; the authority of the Supreme Government and its powers of general control, instead of being weakened, have become stronger and more real since the attempt to interfere in all sorts of petty details was abandoned; the Local Governments have been able to carry out many measures of improvements which would otherwise have been impracticable; and, so far as I know, there has not been a single counterbalancing disadvantage.

“The most important object of all, so far as the Imperial Finances are concerned—that of economy and preventing increase of expenditure—has been completely gained, as I think the following figures will show. The charges which were made over to the Provincial Governments were selected because they were especially liable to increase. In 1863-64 the net expenditure for the services afterwards transferred to the Provincial Government was £5,112,000; and during the four following years it continued to rise, until in 1868-69 it amounted to £6,030,000; in 1869-70 it was nearly the same, but a little less. In 1870-71, before the new system was introduced, a determined and successful effort was made by Lord Mayo’s Government to reduce the charges which had been growing at so alarming a rate; and they fell in that year to £5,197,000. The new system of which I have been speaking was then introduced; and after it had worked for five years, the result in 1875-76 was that the charges for the assigned services were £5,305,000; there was practically no increase of expenditure; the total charges were only about £200,000 more than they were in 1863-64; they were less by £700,000 than they were in 1868-69. It is true, as I have just shown, that the great reduction took place before the change was actually made; but, if we may judge from what had happened before, the demands of the Local Government for larger grants to carry out administrative improvements would certainly have gone on increasing, and I believe they would have been as irresistible as before. * * * *

“When the measures of 1870 were taken there was a great deal of talk about local taxation; and it was loudly asserted that new burdens were being imposed on the country which were none the less serious for being called local. There was no foundation for this statement, nor did the Local Governments obtain any powers of taxation beyond those which they previously possessed: the truth is that, excepting in the Punjab and Oudh, where new rates for local purposes were imposed on land by Acts of the Imperial Legislature, and to a very small extent in Bombay, the measures of 1870 led to no fresh taxation whatever.”

27. Sir John Strachey was unable to give the details of the arrangements made with the Government of Bombay in his speech, but they are fully recorded in G. I. F. D. 2309, dated 2nd August 1877 (Appendix B.2.) The conditions, however, on which this new contract was made were the same as those stated in the speech from which the following extract is taken:—

“It will be incumbent upon the Local Government, in managing its finances, never to exhaust the balance at its credit with the Government of India.

“The Government of India will not accept any estimates or allow any transactions which involve the expenditure of more money than is at credit of the Local Government in the Imperial treasury; and it will be the duty of the Accountant General, on behalf of the Government of India, to take care that this condition is never infringed. To enable the Government of India to enforce this condition, the Local Government, when submitting its yearly estimates, will always state its opening balance, and the effect thereon of the estimates presented. Subject to this condition and to the other rules and restrictions which have been laid down, the Local Government may spend at its own discretion the funds placed at its disposal. I need not describe these rules and restrictions in detail; but the most important of them provide that, without the previous sanction of the Government of India, no fresh taxation can be imposed or any change made in any system of revenue management; no new general service can be undertaken, no appointment with pay exceeding Rs. 250 a month can be created, or reduced or abolished; and no class or grade of officers can be created or abolished, or its pay altered; that no standing order or rule of the Supreme Government shall be changed, and that returns and accounts shall be submitted in the forms prescribed. Full power is reserved to the Supreme Government to modify, add to, or repeal any of these restrictions and conditions. The liberty of action thus conceded will not affect the duty of the Local Government to keep the Governor-General in Council, in the several departments, fully informed of its executive and financial proceedings. The Government of India will continue to exercise its general powers of supervision and control in all departments; but it will, as far as possible, avoid interference with the details of local administration and everything which might lead to embarrassment of the provincial finances.” * *

Contract of August 1877.

28. In the Bombay Presidency the following items of receipts and charges were handed over to local control:—

<i>Revenues.</i>		<i>Expenditure.</i>	
I. Land Revenue ...	Rs. 66,24,000	3. Refunds ...	Rs. 1,10,000
IV. Excise ...	40,82,000	4. Land Revenue...*	65,07,000
VI. Customs ...	89,000	6. Excise ...	80,000
VII. Salt ...	29,000	7. Customs ...	8,09,000
IX. Stamps ...	45,14,000	8. Salt ...	5,69,000
XIII. Law and Justice...	3,00,000	10. Stamps...	1,58,000
XV. Marine ...	28,000	14. Administration ...	11,49,000
XVIII. Receipts in aid of Superannuation, Retired and Compassionate Allowances ...	80,000	15. Minor Departments ...	1,13,000
XX. Miscellaneous ...	1,20,000	16. Law and Justice ...	43,12,000
	<u>Rs. 1,58,66,000</u>	18. Marine... ..	31,000
		20. Ecclesiastical ...	3,25,000
		21. Medical ...	2,68,000
		22. Stationery and Stamps. ..	2,29,000
		24. Allowances and Assignments... ..	64,81,000
		26. Superannuation Allowances... ..	8,00,000
		28. Miscellaneous ...	28,000
			<u>Rs. 2,19,63,000</u>

(a.) The first item on the receipt side comprises the "Inámdári Adjustments" and "Service Commutations" recorded under I, "Land Revenue" and the corresponding charges recorded under "4 Land Revenue", "20 Police" and "27 Allowances and Assignments" (Appendix B. 2., para. 2).

(b.) The Excise revenue was made over on a fixed annual payment in—

1877-78 ...	Rs. 40,00,000	1880-81 ...	Rs. 43,00,000
1878-79 ...	41,00,000	1881-82 ...	44,00,000
1879-80 ...	42,00,000		

(c.) The Stamp revenue was also subject to an annual increase, the amount being in—

1877-78 ...	Rs. 43,00,000	1880-81 ...	Rs. 45,50,000
1878-79 ...	43,50,000	1881-82 ...	46,00,000
1879-80 ...	45,00,000		

(d.) The amount to be paid on account of "Law and Justice" was fixed at Rs. 2,70,000 in each year, and the total under the three heads Excise, Stamps, and Law and Justice, was in—

1877-78 ...	Rs. 85,70,000	1880-81 ...	Rs. 91,20,000
1878-79 ...	87,20,000	1881-82 ...	92,70,000
1879-80 ...	89,70,000		

It was further arranged that the Imperial Government should receive half the net increase in receipts over these estimates and bear half the net deficits. The net revenue made the subject of comparison in calculating the question for excess or deficit is the gross revenue from all three heads less refund and charges. For the year 1877-78, these accounts were thus stated:—

	Gross Revenue.	Charges.	Refunds.	Net Revenue.
	Rs.	Rs.	Rs.	Rs.
Excise...	40,82,000	80,000	2,000	40,00,000
Stamps ...	45,14,000	1,58,000	56,000	43,00,000
Law and Justice ...	3,00,000	Nil.	30,000	2,70,000
Total ...	<u>88,96,000</u>	<u>2,38,000</u>	<u>88,000</u>	<u>85,70,000</u>

(See Appendix B. 2, paragraphs 4—9.)

(e.) Miscellaneous, excepting Gain by exchange, Premium on bills, Premium on money orders, Lapsed money orders, Sale proceeds of Darbár presents, and any item exceeding Rs. 10,000 which could not properly be recorded under any sub-head

then existing in the Bombay public accounts was handed over on payment of Rs. 70,000 distributed *pro forma* thus:—Gross Revenue, Rs. 1,20,000; Charges, Rs. 28,000; Refunds, Rs. 22,000; Net Revenue, Rs. 70,000. (Appendix B. 2, paras. 11, 12).

- (f). On the expenditure side the grant for "Refunds" is made up of those recorded in (d) and (e) above. (Appendix B. 2, para. 13).
- (g). The grant for "Land Revenue" was fixed at Rs. 65,07,000. (Appendix B. 2, para. 14.)
- (h). The grant for "Customs" was based on an estimated expenditure of Rs. 8,09,000 less receipts Rs. 89,000, leaving a net expenditure of Rs. 7,20,000. The revenue arose from *Miscellaneous* and *Warehouse Rents*, and Customs' *Refunds* and *Draw-backs* remained an Imperial charge. (Appendix B. 2, para. 15).
- (i). The expenditure of the Salt Department was estimated at Rs. 5,69,000 less a revenue from fines of Rs. 29,000, leaving a net expenditure of Rs. 5,40,000. (Appendix B. 2, para. 16).
- (k). The grant for "Administration," excepting the provision made for *Civil Offices of Account and Audit, Currency Department, Money Order Office, Allowance to the Presidency Bank, and Stationery purchased in the country*, was fixed at Rs. 11,43,000. (Appendix B. 2, para. 18).
- (l). The grant for "Minor Departments," excepting *Meteorological and Archaeological Departments, Census, Gazetteer and Statistical Memoirs* was fixed at Rs. 1,13,000. (Appendix B. 2, para. 19).
- (m). "Law and Justice" received a grant of Rs. 43,12,000. (Appendix B. 2, para. 20).
- (n). "Marine" had receipts from shipping, towage and pilotage fees estimated at Rs. 28,000, and the expenditure was fixed at Rs. 31,000. (Appendix B. 2, para. 21).
- (o). The grant for "Ecclesiastical" was fixed at Rs. 3,25,000; for "Medical" at Rs. 2,68,000, and for the cost of "Stamps and Stationery" at Rs. 2,29,000. (Appendix B. 2, paras 22—24).
- (p). The charges under the head "Allowances and Assignments" excepting '*Territorial and Political Pensions*' were made over with a grant of Rs. 64,81,000, and those under *Superannuation and Retired Allowances, Compassionate Allowances and Gratuities* with a grant of Rs. 8,00,000, and an estimated revenue of Rs. 80,000 from "Contributions for Pensions and Gratuities."

It will thus be seen that the new contract gave an assignment of receipts amounting to Rs. 1,58,66,000 and grants for charges amounting to Rs. 2,19,63,000. To these let us add the figures of the old contract as they stood at the end of March 1877, and we have—

		Receipts.			Expenditure.
		Rs.			Rs.
New contract	...	1,58,66,000	New contract	...	2,19,63,000
Old contract	...	6,64,000	Old contract	...	1,04,54,000
	Total	1,65,30,000		Total	8,24,17,000
				Deduct receipts	1,65,30,000
				Deficiency, to be made good.	1,58,87,000

But from all the expenditure excepting the following items:—

	Rs.
Refunds	1,10,000
Charges on Excise and Stamps	2,38,000
Allowances to Village Officers	28,73,000
Allowances and Assignments	64,81,000
Superannuation Allowances	8,00,000
Old allotment	1,04,54,000
Total	2,09,56,000

the Government of India deducted a sum of five per cent. which on Rs. 1,14,61,000 (=3,24,17,000—2,09,56,000) amounted to Rs. 5,67,000, leaving Rs. 1,58,87,000—5,67,000) or Rs. 1,53,20,000 as the net allotment. This was subsequently altered by G. I. F. D. 2750, dated 1st August 1878 and other orders, but the allotment as fixed in the contract was as follows:—

1877-78	... Rs. 1,53,20,000	1880-81	... Rs. 1,47,70,000
1878-79	... ,, 1,51,70,000	1881-82	... ,, 1,46,20,000
1879-80	... ,, 1,49,20,000		

It was thought, and with reason, that the famine in Bombay would disorder the finances so far as to land the Government in debt if aid were not given, and the same Resolution agreed to make such a contribution as would place Provincial funds at credit with an unencumbered balance of six lakhs of rupees at its disposal for general purposes on the 1st April 1878. Consequently the accounts and figures of Provincial services for the year 1877-78 are hardly of use for the purposes of comparison, and I will omit them in any remarks that I have to make.

It was provided that if the receipts and allotments were insufficient to meet the assigned expenditure, the difference was to be made up except for the first year from Provincial balances. If, on the other hand, the service of the year cost less than the income, the difference was to be added to Provincial balances. The avowed object was to give the Local Government every inducement to be economical in its management and at the same time to allow the Imperial Government a share in the prosperity or otherwise of the three great fluctuating sources of revenue, viz.—Excise, Stamps, and Law and Justice, any new and great public works constructed on borrowed capital for local or Provincial purposes were to receive a guarantee from Provincial sources.

29. Before proceeding further, we must show how the figures under each head have altered since the contract was made, and quote the authority for these changes. First, I give in the following tables the actual allotment for four years and the estimate for the current year. The distribution of the lump deduction of five per cent on the items enumerated in the preceding paragraph was effected by a proportional reduction from each grant and at the same time other changes in classification took place, which it is well to explain here and clear our starting point. These may be tabulated as follows:—

Head of Grant in contract.	Assumed Grant in contract.	Deduct proportion of reduction.	Add transfers.	Net Grant.	Receipts.	Net allotment.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
3 Refunds...	1,10,000	...	...	1,10,000	.....	1,10,000
4 Land Revenue	65,07,000	1,79,782	26,200 ¹	63,53,418	66,24,000	-2,70,582
6 Excise	80,000	...	...	80,000	40,82,000	-40,02,000
9 Customs	8,09,000	40,023	2,300 ¹	7,71,277	89,000	6,82,277
10 Salt	5,69,000	28,150	200 ¹	5,41,050	29,000	5,12,050
12 Stamps	1,58,000	...	55,000 ²	2,13,000	45,14,000	-43,01,000
13 Registration	2,32,580 ³	...	...	2,32,580	3,01,410	-68,830
15 Post Office	89,400 ⁴	...	...	89,400	.....	89,400
17 Administration	11,43,000	56,546	45,697 ⁵	11,32,151	.....	11,32,151
18 Minor Departments	1,13,000	5,591	1,60,950 ⁶	2,68,359	.....	2,68,359
19 Law and Justice	43,12,000	2,13,324	8,62,558 ⁷	49,61,224	2,06,640	46,54,584
20 Police	36,98,607 ⁷	...	...	36,98,607	1,40,000	35,58,607
21 Marine	31,000	1,533	768 ⁸	30,235	28,000	2,235
22 Education	8,46,809 ⁹	...	...	8,46,809	1,04,800	7,42,009
23 Ecclesiastical	3,25,000	16,078	5,200 ¹⁰	3,14,122	.....	3,14,122
24 Medical	2,68,000	13,259	9,08,845 ¹¹	11,63,586	.....	11,63,586
25 Stationery	2,29,000	11,329	2,16,006 ¹²	4,33,677	.....	4,33,677
26 Political Agencies	4,000 ¹³	...	.....	4,000	.....	4,000
27 Allowances	64,81,000 ¹⁴	...	-9,000 ¹⁴	64,72,000	.....	64,72,000
29 Superannuation	8,00,000	...	.....	8,00,000	80,000	7,20,000
30 Miscellaneous	28,000	1,385	1,56,053 ¹⁵	1,82,668	1,71,150	11,518
34 Other Public Works	27,54,651	...	41,310 ¹⁵	27,95,961	60,000	27,35,961
Contribution to Local Funds	4,10,473 ¹⁷	.....	.....	4,10,473	.....	4,10,473
Imperial contribution on account of deficiency under fluctuating heads	.....¹⁸	.....	.....	.....	.....	1,76,151
	2,99,99,520	5,67,000	24,72,087	3,19,04,607	1,65,30,000	2,41,93,170
						-86,42,412
						1,55,50,758

It is now necessary to explain these figures. The figures of column 1 include those of the old contract and those of the new contract. The figures of the old

contract are the same as those given in para. 10 page 6, and the figures of the new contract are taken from Resolution, Financial Department, 2309, dated 2nd August 1877 (see para. 28). The figures of the second column give the distribution of the five per cent deduction. I shall now give the explanations of the figures against which numbers are placed—

1. These additions are due to transfers made from "Rents and Taxes," an item of the old contract.
2. This is an addition made on account of the value of "Stamp paper" supplied from the central stores (Appendix B. 21), brought here from "Stationery".
3. This is a transfer from old contract head "Law and Justice" to form a new major head (see table 1, p. 3).
4. This was an old contract head under "Minor Departments."
5. This is made of two items, one of Rs. 23,400 transferred from old contract head "Office rent and Taxes" and one of Rs. 22,297, a special grant for the year on account of the purchase of plate and furniture for the Government houses at Poona and Bombay (Appendix B. 10).
6. The additions under the head "Minor Departments" are chiefly due to transfers. It was an old contract head and much mixed up with "Miscellaneous," continual transfers between the two having taken place. I make out that the grant at the close of the old contract stood at Rs. 1,26,018 from which deduct Rs. 768 transferred to "Marine," and add Rs. 35,600 brought here from "Miscellaneous" on account of 'Museums,' 'Botanical Gardens' and 'Model farms,' and Rs. 100 from 'Office rent and Taxes,' total Rs. 1,60,950.
7. "Law and Justice" was made up of three great items 'Law and Justice' proper, 'Jails' and 'Registration'. The two latter belong to the old contract, and 'Registration' now forms a new major head in the public accounts. Accordingly the grant refers only to 'Law and Justice' proper, but the head includes Rs. 83,708 on account of 'Office rent and Taxes' and Rs. 7,78,850 on account of 'Jails,' total Rs. 8,62,558. The old receipts under "Jails" Rs. 6,640, have been added to the receipt side. The allotment for "Police" is less than that for 1876-77 by Rs. 30,215, which was a special grant for that year only.
8. Rs. 768 were transferred to "Marine" from "Minor Departments" old contract.
9. Education is an old head and is made up of old grant Rs. 11,04,740 less receipts Rs. 1,04,800, net grant Rs. 9,99,940 less Rs. 2,57,931 transferred to head "Contributions to Local Funds" at foot, and therefore now net Rs. 8,46,809.
10. The additions comprise a transfer of Rs. 4,000 on account of "Cemeteries" from "Miscellaneous" and Rs. 1,200 from "Office rent and Taxes," both old contract items.
11. "Medical" was an old contract head, closing in 1876-77 with a grant of Rs. 9,08,845 (para. 15.)
12. "Stationery" includes the old contract head of "Printing" for which the net grant in 1876-77 was Rs. 2,69,506, and to this add Rs. 1,500 on account of "Office rent and Taxes," total addition Rs. 2,71,006, but deduct Rs. 55,000 entered here in the new contract but since transferred to "Stamps," : see explanation 2 above: net addition Rs. 2,16,006.
13. This sum was added for "Office rent and Taxes".
14. This sum was deducted, G. I. F. D. 1140, dated 29th June 1878, in consequence of certain Native States being permitted to deduct the compensation payable to them on account of the abolition of transit duties from their tribute, which is an Imperial item of receipt.
15. "Miscellaneous," as before remarked, has been subject to many fluctuations in its treatment. It is an old contract head and the grant at the close of the contract stood at

	Rs.	
<i>Deduct—</i>		
Post Office transferred to Post Office...	89,400	
Museum " Minor Departments...	7,000	
Botanical Gardens " "...	13,600	
Model Farms " "...	15,000	
Cemeteries " Ecclesiastical ...	4,000	,, 1,29,000
		<u>28,184</u>
<i>Add</i> "Office rent and Taxes" ...	78,700	
Special allotment ...	51,150	
		<u>1,27,869</u>
<i>Deduct—</i> Differences due to round numbers	1,981	
		<u>1,56,053</u>

This sum, added to the new contract grant, gives the total grant under this head.

16. This is a special grant for a residence for Sardár Rájárám Bhuslay, adopted son of the Maháráni of Sátára by G.I.F.D. 508, dated 29th January 1878. (Appendix B. 3)
17. This comprises the old contract grant on account of abolition of one anna cess on the Excise (para. 21) amounting to Rs. 1,47,548 in 1876-77, to which Rs. 4,994 were added during the year making Rs. 1,52,542. This is practically a contribution from Imperial to Local Funds for schools and roads received conveniently through Provincial funds. The remainder is a sum of Rs. 2,57,931 transferred here from "Education" as a contribution to Local Funds for Primary Schools.
18. The last item is the result of the application of the principles described in para. 28 (d) to the actuals under the heads "Excise, Stamps, and Law and Justice," excluding of course "Jails" and "Registration," both of which belong to the old contract.
30. We shall now complete the history of the allotment by giving the figures for the whole four years and the estimate for the fifth year. The explanations at foot will show how the changes have taken place:—

Net Allotment.

	1877-78.	1878-79.	1879-80.	1880-81.	Estimate 1881-82.	Alterations since 1st April 1881.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
3. Refunds...	1,10,000	1,10,000	1,10,100 ⁷	1,10,100	1,10,100	...
4. Land Revenue...	-2,70,582	-2,70,582	-2,53,342 ⁸	-2,31,342 ⁹	-2,31,342	...
6. Excise...	-40,02,000	-41,02,000 ¹	-42,68,489 ²	-44,52,489	-45,01,850 ³	5,000
9. Customs...	6,82,277	6,82,277	6,82,707 ¹⁰	6,82,707	6,82,707	...
10. Salt...	5,12,050	5,05,538 ²	5,05,464 ¹¹	5,09,669 ¹²	5,12,160 ¹³	10,000 ¹⁴
12. Stamps...	-43,01,000	-43,51,000 ³	-45,01,700 ¹⁵	-45,51,700 ¹⁶	-46,01,700 ¹⁷	...
13. Registration...	-68,830	-68,830	-68,830	-68,830	-68,830	...
15. Post Office...	89,400	89,400	89,400	89,400	89,400	...
17. Administration...	11,32,151	11,09,854 ⁴	11,09,854	11,09,854	11,09,854	...
18. Minor Departments...	2,68,359	2,68,359	2,70,299 ¹⁸	2,70,299	2,70,299	2,366 ¹⁹
19. Law and Justice...	46,54,594	46,54,594	46,56,824 ¹⁴	46,56,824	46,56,824	...
20. Police...	35,58,607	35,58,607	35,65,507 ¹⁵	35,65,507	35,65,507	...
21. Marine...	2,235	2,235	2,235	2,235	2,235	...
22. Education...	7,42,009	7,42,009	7,42,009	7,42,009	7,42,009	...
23. Ecclesiastical...	3,14,122	3,14,122	3,14,832 ¹⁶	3,39,120 ²⁰	3,38,832 ²⁴	...
24. Medical...	11,63,586	11,63,586	11,65,186 ¹⁷	12,15,986 ²⁷	12,15,986	-2,256 ²⁸
25. Stationery...	4,33,677	4,33,677	4,33,677	4,43,677 ²⁸	4,33,677 ²⁵	...
26. Political Agencies...	4,000	4,000	4,890 ¹⁸	4,890	4,890	...
27. Allowances...	64,72,000	64,72,000	65,45,133 ¹⁹	65,13,500 ²⁹	65,13,500	...
29. Superannuation...	7,20,000	7,20,000	7,20,100 ²⁰	7,20,100	7,20,100	...
30. Miscellaneous...	11,518	10,518 ⁹	10,518 ²¹	-5,854 ²¹	9,618 ²⁰	9,618
34. Other Public Works...	27,35,961	26,94,651 ⁶	27,03,551 ²²	27,03,551	27,03,551	2,00,000 ²⁶
Contribution to Local Funds	4,10,473	4,10,473	4,10,473	4,10,473	4,10,473	...
Imperial adjustment on account of the moiety of deficit or excess in Excise, Stamps and Law and Justice.	+1,76,151	+92,341	-32,321	-1,92,736	-13,000	32,500
Inter-Provincial adjustments	.....	.....	.....	83,352	.....	60,390 ⁴⁰
Total	1,55,50,758	1,52,45,829	1,49,02,705	1,46,95,783	1,46,15,000 3,08,000	+3,08,000
			Revised Allotment	1,49,83,000		

The explanations of changes are as follows:—

1. Progressive increase, see para. 28 (b).
2. Rs. 6,512 deducted on account of one-fourth share of Preventive Establishment on the Káthiáwár frontier: G. I. F. D. 2140, dated 8th August 1879. (Appendix B. 16).
3. Progressive increase, see para. 28 (c).
4. Rs. 22,297 was a special grant for 1877-78 only.
5. Rs. 1,000 were reduced on account of round figures in 1879-80.
6. Rs. 41,310 was a special grant for 1877-78 only. See para. 29, expl. 16.
7. Rs. 100 were added on account of Táluks Peint, G. I. F. D. 927, dated 7th June 1880. (Appendix B. 20).
8. Rs. 10,500 on account of Peint and Rs. 6,940 on account of English stores: G. I. F. D. 3948, dated 8th November 1878. (Appendix B. 11 and 20).
9. Assigned receipts for the year were Rs. 42,82,000 (see para. 28 (b)) from which deduct Rs. 80,000 fixed charges and Rs. 210 for English stores (Appendix B. 9)

and then add Rs. 5,600 on account of Peint (Appendix B. 20) and Rs. 61,099 on account of the pass duty on Excise opium made over to Provincial Services. (Appendix B. 14).

10. Rs. 430 were added on account of English stores. (Appendix B. 9).
11. Rs. 110 were added on account of English stores and the Rs. 6,512 noted above (expl. 2) as on account of the Preventive service on the Káthiawár frontier was reduced to Rs. 5,696: see G. I. F. D. 2140, dated 8th July 1879 (Appendix B. 11 and 16), and expl. 24, 32, below.
12. Rs. 200 were added on account of charges and Rs. 900 on account of receipts in Peint, net addition to debit against Provincial Rs. 700, plus progressive increase provided for by para. 28 (c).
13. Rs. 1,940 were added on account of English stores. (Appendix B. 9).
14. Rs. 430 were added on account of English stores and Rs. 2,300 for charges less Rs. 500 on account of receipts under Law and Justice in Peint. (Appendix B. 9 and 19).
15. An addition of Rs. 6,900 was made on account of Police in Peint. (Appendix B. 19).
16. Rs. 710 were added on account of English stores. (Appendix B. 11).
17. Rs. 1,600 were added on account of Peint. (Appendix B. 20).
18. Rs. 890 were added on account of English stores. (Appendix B. 11).
19. Rs. 1,500 were added on account of Peint and Rs. 71,633 on account of allowances payable to the Nawáb of Cambay as compensation for the suppression of salt manufacture in his territory. Annual payment Rs. 40,000: excise duty on stock in existence at time of arrangement Rs. 78,000 less duty collected by Nawáb Rs. 46,367, special net payment Rs. 31,633. (Appendix B. 17 and 20).
20. Rs. 100 were added on account of Peint. (Appendix B. 19).
21. There was a special reduction of Rs. 12,815 on account of stationery supplied to Berar and erroneously credited to Provincial and of Rs. 2,657 on account of books purchased in Calcutta (Appendix B. 26 and 29). Also a reduction of Rs. 1,100 on account of receipts in Peint and a grant of Rs. 200 on account of charges therein (Appendix B. 20).
22. Rs. 9,000 were added as a grant for works in Peint and Rs. 100 estimated as receipts, net grant Rs. 8,900. (Appendix B. 20).
23. The charges of the Rewa Kántha Agency were transferred to Provincial Services, estimated at Rs. 22,000. (Appendix B. 22).
24. Rs. 3,205 less reduced on account of Káthiawár Preventive Force: See expl. 2, 11, above.
25. Progressive increase provided for in paragraph 28 (c).
26. Rs. 24,297 were added on account of the "Ecclesiastical" charges of Political Agencies. (Appendix B. 19).
27. Rs. 50,800 were added on account of the salary and establishment of the Surgeon-General with the Bombay Government. (Appendix B. 23, 30—34).
28. Rs. 10,000 were added as a special grant for the printing of Census forms (Budget note 1881-82.)
29. The difference Rs. 31,633 was a special grant for the year: see expl. 19 above.
30. The reduction made for the Berar and books published in Calcutta, amounting to Rs. 15,472, was special for the year: see expl. 21 above.
31. See expl. 9 above and para. 28 (b).
32. Rs. 2,491 less reduced on account of Káthiawár Preventive Force: see expl. 2, 4, 24 above.
33. Progressive increase provided in para. 28 (c).
34. Reduction of Rs. 297 for round figures: see expl. 26 above.
35. The grant of Rs. 10,000 for Census paper was special to the year 1880-81.
36. Grant for additional expenditure in connection with the Sind Salt Department (Appendix B. 32).
37. Charges on account of copying frescoes in Ajanta Caves. (Appendix B. 31).
38. Reduction on account of excess in additional grant for Surgeon-General, Rs. 1,128 for two years. (Appendix B. 33): see expl. 27 above.

39. For Khárágora Salt-works. (Appendix B. 32).

40. Net estimated for in the Revised Estimate (Appendix B. 28).

31. The following table will show the actual receipts and expenditure during the continuance of the new contract. These statements show that the receipts have increased in the five years from Rs. 3,29,94,376 to Rs. 3,44,30,000 or by Rs. 14,35,624 including allotment, whilst the expenditure has risen from Rs. 3,23,94,376 in 1877-78 to Rs. 3,47,90,000 in 1881-82. These figures include additional allotment amounting to Rs. 3,08,000 and additional grants amounting to Rs. 8,64,000 made by the Local Government since the Budget for the current year was passed, which reduces the estimated closing balance at the end of the current year to Rs. 11,21,000. As already noted the year 1877-78 cannot be compared with other years as the Provincial Funds were totally exhausted, and the Government of India was obliged to take on itself the burthen of the Famine expenditure and give the Local Government an opening balance of six lakhs to start with. The expenditure of that year was far in excess of the amount shown above, but the balance has been transferred to the debit of India. In the remarks that follow I will take up each head of revenue and expenditure together as far as possible, and as the accounts of the year 1880-81 have practically been closed, give the actuals for four years and the estimates for the current year—

Provincial Revenue.

	1877-78.	1878-79.	1879-80.	1880-81.	Budget 1881-82.
Opening Balance ...	.....	6,00,000	12,12,490	11,01,477	11,26,000
I.—Land Revenue ...	66,35,686	67,19,017	67,28,473	66,50,176	67,54,000
IV.—Excise ...	40,55,306	41,97,363	50,15,578	54,98,392	54,00,000
V.—Assessed Taxes ...	.....	8,03,946	4,99,743	4,05,532	4,20,000
VII.—Customs ...	1,04,986	1,70,186	1,02,481	85,411	76,000
VIII.—Salt ...	42,987	44,390	40,277	43,883	36,000
X.—Stamps ...	41,62,715	43,99,980	42,60,846	42,15,365	42,80,000
XI.—Registration ...	2,87,552	3,23,318	2,97,888	2,79,312	2,86,000
XV.—Minor Departments ...	30,243	24,949	30,082	21,300	26,000
XVI.—Law and Justice—					
Law & Justice Proper	3,26,015	3,25,684	4,47,510	5,12,618	3,63,000
Jails ...	2,73,193	3,05,655	3,02,251	3,92,915	3,37,000
XVII.—Police ...	2,05,380	1,93,262	2,05,060	2,40,343	2,37,000
XVIII.—Marine ...	27,709	30,818	39,453	51,019	50,000
XIX.—Education ...	1,75,728	1,79,830	1,98,647	2,21,047	1,86,000
XX.—Medical ...	85,802	94,375	90,294	89,443	89,000
XXI.—Stationery and Printing ...	40,853	43,711	30,894	39,551	35,000
XXII.—Interest ...	51,140	53,206	48,115	57,135	59,000
XXIII.—Superannuation ...	1,09,587	1,49,437	1,26,828	1,31,188	1,18,000
XXIV.—Miscellaneous ...	1,15,158	90,998	71,456	78,047	77,000
XXVII.—Other Public Works ...	7,13,578	8,47,621	6,00,461	6,09,977	5,94,000
	1,74,43,618	1,89,97,746	1,91,36,277	1,96,22,654	1,94,23,000
Contributions ...	...	40,000	21,661	20,076	24,000
Imperial Allotment ...	1,55,50,758	1,52,45,828	1,49,62,705	1,46,95,783	1,46,75,000 + 3,08,000
Grand Total ...	3,29,94,376	3,48,89,574	3,52,73,133	3,54,39,990	3,55,18,110
Provincial Deficit ...	...	...	1,11,013	...	...

(a) For additions made see preceding para.

Provincial Expenditure.

	1877-78.	1878-79.	1879-80.	1880-81.	BUDGET 1881-82.	
					Original.	Additional
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Deficit at the close of 1876-77	5	...	.....	.....	.....	...
3. Refunds	1,42,430	2,30,996	3,41,971	2,77,804	2,86,000	...
4. Land Revenue	67,74,073	66,10,102	65,16,303	64,69,906	66,50,000	1,000
6. Excise	81,687	1,13,447	3,36,802	1,87,528	1,92,000	2,000
7. Assessed taxes	...	54,252	40,692	24,703	27,000	...
9. Customs	8,49,028	8,36,208	8,26,608	8,13,422	8,44,000	...
10. Salt	8,02,319	6,25,241	5,46,792	5,52,098	5,68,000	12,000
12. Stamps	1,51,268	1,52,272	1,99,986	1,85,984	2,07,000	...
13. Registration	2,37,618	2,33,320	2,32,269	2,22,585	2,90,000	...
15. Post Office	95,841	94,131	88,644	89,271	90,000	...
17. Administration	12,35,805	12,21,695	11,85,676	12,25,387	12,09,000	1,000
18. Minor Departments	1,20,947	1,13,408	1,30,391	1,15,137	1,44,000	3,000
19. Law and Justice—						
Law and Justice proper.	44,11,317	44,04,770	43,24,214	42,80,656	43,19,000	...
Jails	11,73,358	11,28,974	10,92,160	9,37,343	9,81,000	...
20. Police	43,23,192	39,34,615	39,81,637	40,55,847	39,96,000	61,000
21. Marine	40,845	39,063	30,444	71,107	44,000	...
22. Education	10,53,369	9,88,239	10,06,528	10,02,894	10,28,000	20,000
23. Ecclesiastical	2,80,979	2,94,497	3,18,552	3,27,028	3,27,000	...
24. Medical	12,06,442	11,68,887	11,67,311	11,76,479	11,36,000	...
25. Stationery and Printing	5,69,364	5,56,656	4,77,620	4,60,266	5,12,000	...
26. Political Agencies	1,752	1,788	2,842	3,862	2,000	...
27. Allowances and Assignments	65,48,387	65,94,144	65,88,731	69,13,835	68,60,000	64,000
29. Superannuation	9,24,148	8,70,027	9,48,967	10,33,790	10,34,000	...
30. Miscellaneous	1,99,867	1,88,964	3,76,584	2,67,267	2,00,000	5,000
34. Other Public Works	8,28,440	28,22,231	26,04,037	24,55,937	25,80,000	6,88,000
Special contribution to the Imperial Treasury	3,20,52,381	3,32,77,947	3,33,65,261	3,31,50,136	3,35,26,000	8,64,000
Contribution to Local Fund	3,41,995	3,93,137	4,06,395	4,08,430	4,00,000	...
Closing balance	3,23,94,376	3,36,71,084	3,41,71,656	3,39,58,566	3,39,26,000	...
Gand Total	6,00,000	12,12,490	11,01,477	14,81,424	13,22,000	...
Provincial Surplus	...	6,12,490	.....	3,46,927	1,96,000	...
Ditto Deficit	...	...	.....	.....	.....	3,60,000

Refunds.

32. The previous history of this head, which is one of charge and naturally has no receipts, will be found in para. 28 (f). As will be seen the "Revenue refunds" have increased from Rs. 1,86,478 in 1878-79 to a provision of Rs. 2,27,000 in 1881-82, but this appears to be due to the inclusion of refunds of license tax here which amounted to Rs. 94,920 in 1878-79, Rs. 1,20,222 in 1879-80, Rs. 76,036 in 1880-81, and the estimate of 1881-82 is Rs. 70,000. Another disturbing element is the transfer of the pass duty on Opium bought for consumption in Bombay to Provincial Services, which led at once to an increase in Refunds under "Excise, Spirits and Drugs" which rose from Rs. 1,727 in 1877-78 to Rs. 24,268 in 1878-79, Rs. 87,479 in 1879-80, Rs. 83,548 in 1880-81, and Rs. 87,000 on the estimate for 1881-82. Under these arrangements twenty per cent. on the full price per chest is refunded to Native States in some cases and in others the entire duty :—

	1877-78.	1878-79.	1879-80.	1880-81.	Budget 1881-82.	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Net Grant	1,10,000	1,10,000	1,10,000	1,10,000	1,10,000	5,50,000
Actual Charges.						
Revenue refunds	55,651	1,86,478	2,80,042	2,09,128	2,27,000	9,58,299
Miscellaneous refunds	86,779	44,518	61,929	63,676	59,000	3,20,902
Total	1,42,430	2,30,996	3,41,971	2,77,804	2,86,000	12,79,201
Difference	-32,430	-1,20,996	-2,31,971	-1,67,804	-1,76,000	-7,29,201

Land Revenue.

33. The explanation of the assignment and grant under this head will be found in paragraph 28. The receipts were estimated in the contract Resolution at Rs. 66,24,000. This was intended to cover the charges incurred on account of "Inámdári adjustments" and "Service Commutations" which are debitable in the accounts to "4, Land Revenue," "20, Police" and "27, Allowances and Assignments". At the same time a grant was made for other charges coming under the head "Land Revenue" amounting to Rs. 65,07,000, and the addition of these two brings out the minus figures shown as 'Net Grant' under this head. I will give the table now:—

	1877-78.	1878-79.	1879-80.	1880-81.	Budget, 1881-82.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assignment	66,24,000	66,24,000	66,24,000	66,24,000	66,24,000	3,31,20,000
<i>Actual Receipts.</i>						
Rent of Resumed Police Land ...	66,35,686	67,19,017	67,28,473	66,50,176	67,54,000	3,34,87,352
Net Grant ...	- 2,70,582	- 2,70,582	- 2,53,342	- 2,31,342	- 2,31,342	- 12,57,190
Grand Total ...	63,65,104	64,48,435	64,75,131	64,18,834	65,22,658	3,22,30,162
<i>Actual Charges.</i>						
Collectors' and Deputy Com- missioners', &c., Establish- ments	29,59,043	28,49,799	28,22,912	27,97,058	28,84,000	1,43,12,812
Revenue Surveys	6,27,786	6,30,451	6,21,931	5,95,711	6,19,000	30,94,879
Land Settlement charges ...	1,78,667	1,75,314	1,38,473	1,52,912	1,71,000	8,16,368
Allowances to District and Village Officers	30,04,775	29,54,538	29,32,509	29,20,508	29,69,000	1,47,81,331
Cost of European Stores ...	.....	.....	* 478	3,716	7,000	11,194
Revenue Record-room charges ...	3,802	.....	.....	.....	.....	3,802
Total ...	67,74,073	66,10,102	65,16,303	64,69,906	66,50,000	3,30,20,384
Difference ...	- 4,08,969	- 1,61,667	- 41,172	- 51,072	- 1,27,342	- 7,90,222

A mechanical application of the figures brings out a debit to the local Government amounting to Rs. 7,90,345. But it is clear that the actual grant for the service must be taken plus the proportion of the assignment required to cover the debits against this head. Under the old contract one of these items, viz., that for Police Shetsandis, was debited to Provincial Services under "Police," and allowance was made for it in the allotment. Under the new contract credits for all three items are afforded here and debits of only one. The amount of these credits depends upon the rates assessed by the Revenue Survey on the alienated lands in each district, and consequently varies from year to year. The following table shows the actual figures for five years:—

	1877-78.	1878-79.	1879-80.	1880-81.	1881-82.
	Rs.	Rs.	Rs.	Rs.	Rs.
RECEIPTS.					
I.—Land Revenue.					
1. Hereditary District and Vil- lage Officers	10,12,800	10,41,360	10,48,476	10,41,572*	10,56,000
2. Inámdári and ditto ...	52,62,208	53,39,381	53,26,597	52,58,395	53,40,000
3. Police Shetsandis ...	3,60,583	3,38,241	3,53,398	3,50,208	3,58,000
4. Service Commutations (Ac- tuals)	95	35	2	2	...
Total ...	66,35,686	67,19,017	67,28,473	66,50,177	67,54,000

	1877-78.	1878-79.	1879-80.	1880-81.	1881-82.
CHARGES,	Rs.	Rs.	Rs.	Rs.	Rs.
4. Land Revenue (item 1) ..	10,12,800	10,41,360	10,48,476	10,41,572	10,56,000
20. Police (item 3) ...	3,60,583	3,38,241	3,53,398	3,50,208	3,58,000
27. Allowances (item 2) ...	52,62,208	53,39,381	53,26,597	52,58,395	53,40,000
Total ...	66,35,591	67,18,982	67,28,471	66,50,175	67,54,000

The real result under this head, therefore, will be as shown in the following table :—

	1877-78.	1878-79.	1879-80.	1880-81.	1881-82.	Total.
Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Proportion of Assign- ment	10,45,000	10,45,000	10,45,000	10,45,000	10,45,000	52,25,000
Actuals	10,12,800	10,41,360	10,48,476	10,42,942	10,56,000	52,01,578
Net Grant	53,08,418	53,08,418	53,25,658	53,47,658	53,47,658	2,66,37,810
Total	63,21,218	63,49,778	63,74,134	63,90,600	64,03,658	3,18,39,388
Expenditure	67,74,078	66,10,102	65,16,803	64,70,029	66,50,000	3,30,20,507
Difference	4,52,855	2,60,324	1,42,169	—79,429	—2,46,342	—11,81,119

In 1877-78, the increase is explained by the grant of considerable sums for grain compensation during the famine; increased allowances for travelling and the entertainment of extra establishment on account of famine operations. No reduction was made on account of the five per cent. deductions made by the Government of India in this grant, and in addition there have been increases in several cases, so that there has been and always will be a deficit on the contract grant under present circumstances. It has now amounted to over 11½ lakhs in the five years, and either the standard should be revised or measures should be taken to work up to it. The question of the proper treatment of these nominal receipts and charges has been frequently before Government, and I could refer to your No. 5268, dated 1st October 1879, as apparently the last communication on the subject to the Government of India.

Excise.

34. The explanation of the arrangements under this head will be found in para. 28 (b), (d). Excise is one of the items which enter into the calculation of the amount of contribution to or by the Imperial Government in certain cases when the contract accounts are finally closed. The receipts were increased in 1879-80 by an arrangement by which the pass duty on opium purchased for consumption in the Bombay Presidency or for sale to Native States was transferred from the Imperial head 'Opium' to the Provincial head 'Excise'. At the same time certain charges accrued under the same arrangement, and these appear under 'Refunds' (para. 32). A portion of the increase is due to the improved arrangements to prevent smuggling and also to the transfer to Government of the license-fees from liquor shops in the island of Bombay under the provisions of section 63 of Act V of 1878 Bombay Council, which also fixes the compensation to be paid to the Municipality at Rs. 1,43,750 per annum. This compensation does not appear here in the accounts except in 1879-80, since then it is shown under '27 Allowances and Assignments' along with other similar sums amounting to Rs. 2,33,556 in 1880-81, and a Budget provision of Rs. 2,72,000 for the current year. None the less are these sums to be taken into account in estimating the actual character of the Excise revenue, its amount and incidence. In some cases, a lump sum has been paid and its capitalised value should only be taken each year as a charge, in others the compensation takes the form of an annually recurring charge and must be taken in full, part of the increased expenditure recorded

here is due to the cost of additional Preventive establishment entertained to carry out the new arrangements. With these remarks the figures in the following table explain themselves—

	1877-78.	1878-79.	1879-80.	1880-81.	Budget 1881-82.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assignment	40,82,000	41,82,000	43,48,699	45,32,699	45,82,060	2,17,27,458
<i>Actual Receipts.</i>						
License and Distillery fees and duties for the sale of Liquor and Drugs	39,06,235	39,23,079	43,27,954	47,78,668	47,00,000	2,16,35,951
Transit duty on Excise Opium... ..	.....	.....	4,11,737	8,13,525	4,60,000	11,85,262
Gain on sale proceeds of Excise Opium ...	1,04,950	1,59,328	1,83,232	3,17,792	1,60,000	9,25,302
Fines, Confiscations and Miscellaneous ...	44,121	1,14,956	92,655	88,392	80,000	4,20,124
Net Grant ...	40,55,306	41,97,363	50,15,578	54,98,392	54,00,000	2,41,66,639
	— 40,02,000	— 41,02,000	— 42,68,489	— 44,52,489	— 45,01,850	— 2,13,26,828
Grand Total ...	53,306	95,363	7,47,089	10,45,903	8,98,150	28,39,811
<i>Actual Charges.</i>						
Collectors', Commis- sioners' and Canton- ment Magistrates' Esta- blishments	74,658	1,02,404	1,12,346	1,50,140	1,52,000	5,91,548
Loss by dryage and wastage of Opium ...	6,929	11,043	30,206	37,388	40,000	1,25,566
Compensation for the abolition of rights in connection with A'b- kari revenue ...	.....	.....	1,93,750	.....	.....	1,93,750
Total ...	81,587	1,13,447	3,36,302	1,87,528	1,92,000	9,10,864
Difference ...	—28,281	—18,084	+4,10,787	+8,58,375	+7,06,150	+19,28,947

Assessed Taxes.

35. The portion of the License Tax granted to Provincial use is settled in the Budget under each year and the adjustment is made in the final accounts. The principle on which the adjustments are made is not known since the proportion assigned for Provincial purposes varies each year thus :—

	Accounts 1879-80.	Accounts 1880-81.	Estimate 1881-82.
	Rs.	Rs.	Rs.
Total	24,80,000	13,85,532	14,00,000
Imperial	19,30,000	9,80,000	9,80,000
Provincial	5,00,000	4,05,532	4,20,000

License Tax.	1878-79.	1879-80.	1880-81.	Budget 1881-82.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.
Gross Provincial allotment ...	8,03,946	4,99,748	4,05,532	4,20,000	21,29,221
Actual charges for collection.	54,252	40,692	24,703	27,000	1,46,647
Difference ...	+7,49,694	+4,59,051	+3,80,829	+3,93,000	+19,82,574

Customs.

36. Certain receipts were handed over to Provincial uses together with the entire expenditure under "Customs," but no reduction was made in this expenditure on account of the 5 per cent. deduction made by the Government of India. There has been some increase in the charges; in the current year Rs. 4,700 for an Assistant to the Commissioner, Rs. 9,000 for an Assistant Commissioner and Rs. 10,000 on account of grain compensation in the Konkan. The receipts, too, have steadily declined :—

Heads.	1877-78.	1878-79.	1879-80.	1880-81.	Budget 1881-82.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assignment	89,000	89,000	89,000	89,000	89,000	4,45,000
<i>Actual Receipts.</i>						
Warehouse and Wharf Rents	7,088	9,569	5,285	1,727	2,000	25,669
Miscellaneous	97,898	1,60,617	97,196	83,684	74,000	5,13,396
Total ...	1,04,986	1,70,186	1,02,481	85,411	76,000	5,39,064
Net Grant ...	6,82,277	6,82,277	6,82,707	6,82,707	6,82,707	34,12,675
Grand Total ...	7,87,263	8,52,463	7,85,188	7,68,118	7,58,707	39,51,739
<i>Actual Charges.</i>						
Sea Customs, Salaries, Establishments and Contingencies	7,78,028	7,66,013	7,58,093	7,69,698	7,78,000	38,49,832
Land Customs, Salaries, Establishments and Contingencies	71,000	70,195	68,515	43,724	66,000	3,19,434
Total ...	8,49,028	8,36,208	8,26,608	8,13,422	8,44,000	41,69,266
Difference ..	- 61,765	+ 16,255	- 41,420	- 45,304	- 86,293	- 2,17,527

Salt.

37. The unfavourable outcome under this head is chiefly due to the excessive charges of the first year, one of which was the purchase of salt from the Khárágóra salt-works (Rs. 1,66,524) and the provision of boats for the Preventive Service. The charge for the purchase of salt was formerly placed in a debt-head, in 1877-78 it became Provincial and in 1878-79 again Imperial. The excess charge was, however, practically recouped in the arrangements at the close of 1877-78. Although the expenditure on account of the Salt Department in Sind was sanctioned after the settlement of the grants, there has been such a decrease in expenditure on the Preventive Service, especially along the Gujarát frontier, that the general outcome is favourable. Still so many changes have occurred and are in contemplation under this head that a radical revision is desirable :—

Heads.	1877-78.	1878-79.	1879-80.	1880-81.	Budget 1881-82.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assignment	29,000	29,000	29,000	29,000	29,000	1,45,000
<i>Actual Receipts.</i>						
Fines and Forfeitures	42,987	5,838	735	167	1,000	50,727
Miscellaneous ... ..	...	38,552	39,542	43,716	35,000	1,56,810
Total ...	42,987	44,390	40,277	43,883	36,000	2,07,537
Net Grant ...	5,12,050	5,05,538	5,06,464	5,09,669	5,12,160	25,45,881
Grand Total ...	5,55,037	5,49,928	5,46,741	5,53,552	5,48,160	27,53,418
<i>Actual Charges.</i>						
Salaries, Establishments and Contingencies	8,02,319	6,25,241	5,46,792	5,52,098	5,68,000	30,94,450
Total ...	8,02,319	6,25,241	5,46,792	5,52,098	5,68,000	30,94,450
Difference ...	- 2,47,282	- 75,313	- 51	+ 1,454	- 19,840	- 3,41,032

Stamps.

38. The revenue from "Stamps" has not improved much in the last five years and has never come up to the expectations formed when the contract was made. It is the second item in the fluctuating charges and more than swallows up the surplus accruing under "Excise". At the same time it is to be remembered that a moiety of the loss is borne by India, and therefore that Provincial Services suffer only one-half :—

Heads.	1877-78.	1878-79.	1879-80.	1880-81.	Budget 1881-82.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assignment	45,14,000	45,64,000	47,14,900	47,64,900	48,14,900	2,33,72,700
<i>Actual Receipts.</i>						
Sale of General Stamps	15,59,952	15,72,657	16,17,439	15,89,760	16,50,000	79,89,808
Do. Court-fees do.	23,29,974	25,51,801	23,55,162	22,99,016	23,36,000	1,18,71,953
Duty on Impressing Documents	2,61,644	2,53,515	2,74,193	3,07,689	2,81,000	13,78,041
Fines and Penalties	10,418	10,202	11,580	15,358	10,000	57,558
Miscellaneous	727	11,805	2,472	3,542	3,000	21,546
Total	41,62,715	43,99,980	42,60,846	42,15,365	42,80,000	2,13,18,906
Net Grant	-43,01,000	-43,51,000	-45,01,700	-45,51,700	-46,01,700	2,23,07,100
Grand Total	-1,38,285	+ 43,980	-2,40,854	-3,36,335	-3,21,700	-9,88,194
<i>Actual Charges.</i>						
Superintendence	54,650	50,188	54,169	50,751	50,000	2,59,758
Charges for the sale of General Stamps.	61,287	63,342	68,109	60,497	63,000	3,11,235
Do. on sale of Court-fees do.	35,331	38,742	35,809	34,144	36,000	1,80,026
Stamp-paper supplied from Central Stores	62,543	64,318	46,899	40,592	58,000	2,72,352
Total	2,13,811	2,16,590	1,99,986	1,85,984	2,07,000	10,23,371
Difference	-3,52,096	1,67,610	-4,40,840	-5,22,319	-5,28,700	-20,11,565

39. It is desirable here to place on record the mode in which the calculation of the result of the fluctuating items, 'Stamps', 'Excise' and 'Law and Justice' is actually worked out, as much doubt seems to be felt on the subject. It is exactly the same as the provision in the contract with the North-Western Provinces and Oudh, and is explained in the following table :—

Result of fluctuating items.

	Actuals.				Budget Estimate.
	1877-78.	1878-79.	1879-80.	1880-81.	1881-82.
	Rs.	Rs.	Rs.	Rs.	Rs.
<i>Receipts.</i>					
Revenue from IV. Excise, Spirits and Drugs.	40,55,307	41,97,363	50,15,578	54,98,392	54,00,000
Do. X. Stamps	41,62,716	43,99,980	42,60,846	42,15,365	42,80,000
Do. XVI. Law and Justice (omitting Jail receipt)	3,26,015	3,25,683	4,47,510	5,12,617	3,63,000
Total	85,44,038	89,23,026	97,23,934	1,02,26,374	1,00,43,000
<i>Charges.</i>					
Grant 3—Refunds of Excise Revenue	1,728	24,268	87,479	83,548	87,000
Do. do. of Stamps	53,924	67,290	72,342	40,544	70,000
Do. do. of Law and Justice (omit- ting Jails)	37,833	30,433	40,084	41,335	40,000
Grant 6—Excise on Spirits and Drugs	81,587	1,13,446	3,36,301 ^a	4,21,063 ^a	4,00,000 ^a
Grant 12—Stamps excluding cost of Stamps supplied from Central Stores	1,51,268	1,52,272	1,53,086	1,45,392	1,49,000
Total	3,26,340	3,87,709	6,89,292	7,40,902	7,46,000
	82,17,698	85,35,317	90,34,642	94,85,472	92,97,000

^a includes compensation for the abolition of A'bkari right.

	Actuals.				Budget Estimate.
	1877-78.	1878-79.	1879-80.	1880-81.	1881-82.
<i>Net Revenue.</i>	Rs.	Rs.	Rs.	Rs.	Rs.
Net Revenue as per para. 8 of Government of India No. 2309 of 2nd August 1877 ...	85,70,000	87,20,000	89,70,000	91,20,000	92,70,000 (b)
Total of Surplus ...	.....	.....	64,642	3,65,472	27,000 (b)
Total of Deficit ...	3,52,302	1,84,688	.....	.....	.....
Moiety of surplus to be reserved by the Provincial Governments as per para. 9 of the above order ...	.....	.....	82,331	1,82,736	13,500 (b)
Moiety of deficit to be borne by the Provincial Government as per para. 9 of the above order.	1,76,151	92,341	.....	.....	.....
Moiety of surplus due to the Imperial Government as per para. 9 of the above order ...	.....	.....	82,321	1,82,736	13,500 (b)
Moiety of deficit to be made good by the Imperial Government as per para. 9 of the above order ...	1,76,151	92,341	.....	.....	.....

(b) These figures are altered in the revised Estimate, see para. 62 and the surplus has turned into a deficit of Rs. 89,000.

Registration.

40. Notwithstanding that Record-room receipts have been brought to this head, the charges, except in one year, are in excess of the receipts, and this head, which yields a considerable surplus in other Provinces, is here apparently a source of loss to the extent of Rs. 85,872 in the five years. One of the principal additions to the charges is that made in the current year on account of the salaries and establishment of Village Registrars appointed under the Deccan Agricultural Relief Act and which amounts to Rs. 62,000. The record-room fees are very small and should increase with careful nursing—

	1877-78.	1878-79.	1879-80.	1880-81.	Budget, 1881-82.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assignment ...	3,01,410	3,01,410	3,01,410	3,01,410	3,01,410	15,07,050
<i>Actual Receipts.</i>						
Fees for registering documents ...	2,62,409	2,90,947	2,80,283	2,63,140	2,68,000	13,64,779
Fees for copies of registered documents ...	5,586	3,864	4,005	4,151	4,000	21,606
Revenue Record-room receipts ...	17,403	24,940	10,486	8,879	11,000	72,709
Miscellaneous ...	2,154	3,567	3,114	3,142	3,000	14,977
Net Grant ...	2,87,552	3,23,318	2,97,888	2,79,312	2,86,000	14,74,070
	-68,830	-68,830	-68,830	-68,830	-68,830	-3,44,150
Grand Total ...	2,18,722	2,54,488	2,29,058	2,10,482	2,17,170	11,29,920
<i>Actual Charges.</i>						
Superintendence ...	27,411	27,711	30,410	22,780	27,000	1,35,312
District charges ...	2,06,405	2,03,630	1,99,118	1,97,313	2,60,000	10,66,466
Revenue Record-room charges ...	3,802	1,979	2,741	2,492	3,000	14,014
Total ...	2,37,618	2,33,320	2,32,269	2,22,585	2,90,000	12,15,792
Difference ...	-18,896	+21,168	-3,211	-12,103	-72,830	-85,872

Post Office.

41. These District Postal charges were formerly included under "Miscellaneous" and again under "Minor Departments." As a rule, the charges should not exceed the grant, but they have been allowed to do so to the extent of Rs. 10,887 in the five years.

	1877-78.	1878-79.	1879-80.	1880-81.	1881-82.	Total.
Net Grant	89,400	89,400	89,400	89,400	89,400	4,47,000
<i>Actual Charges.</i>						
District Post Establishments...	95,841	94,131	88,644	89,271	90,000	4,57,887
Difference ...	-6,441	-4,731	+756	+129	-600	-10,887

•• Administration.

42. The charges have continued at their present high figure, doubtless because no reduction was made on account of the five per cent. deduction from the estimate made by the Administration. Most of the great spending sections show an increase which is sufficiently explained by the figures themselves—

	1877-78.	1878-79.	1879-80.	1880-81.	Budget 1881-82.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Net Grant ...	11,32,151	11,09,854	11,09,854	11,09,854	11,09,854	55,71,567
<i>Actual Charges.</i>						
Salary of Governor	1,20,178	1,16,158	1,19,735	1,22,895	1,28,000	6,06,966
Staff and Household of Governor.	1,12,675	97,876	96,036	1,03,998	99,000	5,09,585
Expenditure from Contract allowance... ..	92,000	89,858	89,556	94,902	89,000	4,55,316
Tour expenses	19,667	19,080	14,410	13,840	27,000	93,997
Executive Council	1,26,233	1,27,703	1,26,667	1,22,928	1,23,000	6,25,581
Civil Secretariats	3,28,289	3,34,831	3,08,734	3,20,572	3,16,000	16,08,426
Military Secretariat	77,620	92,603	87,905	91,022	86,000	4,35,150
Commissioner in Sind	1,04,887	1,01,106	1,06,512	1,04,315	1,06,000	5,22,820
Commissioners	2,30,493	2,30,627	2,23,110	2,35,484	2,22,000	11,44,714
Provincial Establishments in Imperial Offices	24,606	11,755	12,905	12,325	13,000	74,591
Rent, Rates and Taxes	107	98	106	106	.....	417
Total ...	12,35,805	12,21,695	11,85,676	12,25,387	12,09,000	60,77,563
Difference ...	-1,03,654	-1,11,841	-75,822	-1,15,533	-99,146	-5,05,996

Minor Departments.

43. There was no assignment under this head which belongs to the old contract: see para. 18. It is almost as heterogenous by its constitution as "Miscellaneous" with which many of its items have been interchanged. I would notice the falling off in receipts from 'Model farms' and 'Botanical gardens,' whilst the charges are increased. This is partially explained by the transfer of the Lahej garden in Aden to the Military Department (Appendix B. 25).

	1877-78.	1878-79.	1879-80.	1880-81.	Budget 1881-82.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<i>Actual Receipts.</i>						
Botanical and other Public Gardens	15,544	10,002	15,824	4,642	10,000	56,012
Receipts on account of Model Farms	14,699	8,727	7,850	8,510	9,000	48,786
Examination fees ... ..	.....	6,171	6,082	5,785	6,500	24,538
Exhibitions and Fairs ... ..	.....	.....	.....	838	.....	838
Miscellaneous ... ..	.....	49	326	1,105	500	1,980
Hire of Government Stallions ... ..	.....	.....	.....	420	.....	420
Total ...	30,243	24,949	30,082	21,300	26,000	1,32,574
Net Grant ...	2,68,359	2,68,359	2,70,299	2,70,299	2,70,299	13,47,615
Grand Total ...	2,98,602	2,93,308	3,00,381	2,91,599	2,96,299	14,80,189

	1877-78.	1878-79.	1879-80.	1880-81.	Budget 1881-82.	Total.
<i>Actual Charges.</i>	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Archaeological Department ...	11,473	10,466	18,104	16,342	22,000	78,385
Provincial Museums ...	5,935	3,378	6,304	3,371	3,300	22,238
Public Observatories ...	10,318	14,890	14,920	14,747	15,200	70,075
Donations to Scientific Societies, &c. ...	3,600	3,600	3,600	3,600	3,600	18,000
Model Farms ...	11,939	11,059	11,396	10,954	12,000	57,348
Experimental Factories ...	5,644	4,865	659	244	.....	11,412
Cinchona plantations ...	821	346	240	260	500	2,167
Cotton Departments ...	17,021	9,837	9,252	10,275	9,300	55,685
Public Exhibition and Fairs ...	698	3,863	.....	.....	3,000	7,561
Government Bull and Stallion charges ...	34,947	32,126	40,891	35,454	54,000	1,97,418
Botanical and other Public Gar- dens ...	15,977	15,940	18,765	12,201	15,000	77,883
Provincial Statistics ...	960	980	4,798	4,728	3,600	15,066
Examinations ...	711	762	828	815	800	3,916
Cost of European stores ...	.....	.....	614	598	1,000	2,212
Miscellaneous ...	903	1,296	20	1,548	700	4,467
Total ...	1,20,947	1,13,408	1,30,391	1,15,137	1,44,000	6,23,883
Difference ...	+1,77,655	+1,79,900	+1,69,990	+1,76,462	+1,52,299	8,56,306

Law and Justice.

44. This head originally included "Jails" and "Registration" of the old contract of which 'Registration' has been formed into a new major head. The remainder forms a portion of the fluctuating items which have been explained in para 39. This must be taken into account in calculating the result under this head. The following table shows the general result.

The large receipt in 1880-81 under "Sale proceeds of unclaimed estates" was due to the credit here of Administrator General's lapses and an addition has been made in 1880-81 for Agricultural Courts under the Deccan Act—

	1877-78.	1878-79.	1879-80.	1880-81.	Budget, 1881-82.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assignment ...	3,06,640	3,06,640	3,07,140	3,07,140	3,07,140	15,34,700
<i>Actual Receipts.</i>						
Sale proceeds of unclaimed and escheated Property ...	17,485	20,551	77,137	1,83,396	32,000	3,30,569
Court fees realized in cash ...	...	9,018	8,695	6,486	13,000	37,199
General fees, fines and forfeitures ...	2,93,007	2,80,582	3,42,133	3,03,112	3,00,000	2,93,007
Jails ...	2,73,193	3,05,655	3,02,251	3,92,915	3,37,000	12,25,827
Miscellaneous ...	15,523	15,532	19,545	19,624	18,000	16,11,014
Total ...	5,99,208	6,31,339	7,49,761	9,05,533	7,00,000	35,85,841
Net Grant ...	46,54,594	46,54,594	46,56,824	46,56,824	46,56,824	2,32,79,660
Grand Total ...	52,53,802	52,85,933	54,06,585	55,62,357	53,56,824	2,68,65,501
<i>Actual Charges.</i>						
High Court Judges ...	3,83,450	3,67,757	3,79,586	3,62,394	3,22,000	18,15,187
High Court, Appellate Branch, at the Pre- sidency ...	97,520	1,08,713	89,170	84,388	90,000	4,69,791
High Court, Original Branch, at the Presidency ...	2,84,417	3,02,441	2,46,893	2,40,712	2,49,000	13,23,463
Law Officers ...	1,55,053	1,73,207	1,65,949	1,52,392	1,60,000	8,06,601
Administrator General ...	7,800	7,800	3,680	3,000	3,000	25,280
Coroner's Court ...	15,743	16,138	15,906	16,128	16,000	79,915
Justices of the Peace and the Petty Sessions Court ...	81,139	88,357	90,229	93,702	90,000	4,43,427
Civil and Session Courts ...	17,82,845	17,77,462	18,18,747	18,25,620	18,60,000	90,64,674
Court of Small Causes... ..	2,65,364	2,59,111	2,57,235	2,65,076	2,59,000	13,05,786
Criminal Courts ...	13,36,719	12,89,658	12,55,825	12,18,365	12,70,000	63,70,567
Jails ...	11,73,358	11,28,974	10,92,160	9,27,343	9,81,000	53,12,835
Commissariat charges at Port Blair and Nicobars ...	1,267	14,126	247	288	...	15,926
Deccan Agricultural Relief Establishment... ..	...	...	740	18,353	...	19,093
Cost of European Stores ...	...	...	7	240	...	247
Total ...	55,84,675	55,33,744	54,16,374	52,17,999	53,00,000	2,70,52,792
Difference ...	-3,30,873	-2,47,811	-9,789	+3,44,358	+56,824	-1,87,291

Taking Jails alone, the figures are as follows :—

	1877-88.	1878-79.	1879-80.	1880-81.	1881-82.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assignment	6,640	6,640	6,640	6,640	6,640	33,200
Actual receipts	2,73,193	3,05,655	3,02,251	3,92,915	3,37,000	16,11,014
Net Grant	7,72,210	7,72,210	7,72,210	7,72,210	7,72,210	38,61,050
	10,45,403	10,77,865	10,74,461	11,65,125	11,09,210	54,72,064
Expenditure	11,73,368	11,28,974	10,92,160	9,37,343	9,81,000	53,12,835
Difference	-1,27,955	-51,109	-17,699	+2,27,782	+1,28,210	+1,59,229

This charge belongs to the old grant and this statement may be read with the figures given at para. 11. The excess charge in the earlier years was due to the high price of grain.

Police.

45. The remarks made at para. 33 will show that we must take credit for receipts under Land-revenue on account of Police Shet-sandis charged here to the amount of Rs. 17,60,430 in the five years, and that this must be deducted from the debit given below leaving this head +Rs. 3,65,020. The following table shows the account figures :—

	1877-78.	1878-79.	1879-80.	1880-81.	1881-82.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assignment	1,40,000	1,40,000	1,40,000	1,40,000	1,40,000	7,00,000
<i>Actual Receipts.</i>						
Police supplied to Railways	22,870	24,042	20,926	24,295	27,000	1,19,133
Police supplied to Municipal, Cantonment and Town Fund	93,482	68,267	55,391	63,748	68,000	3,28,888
Police supplied to Public Departments, private Companies and persons	7,594	8,281	11,899	12,829	14,000	54,603
Recoveries on account of Village Police	3,253	21,449	30,386	61,764	33,000	1,39,852
Cash receipts under the Arms Act	622	677	492	447	1,000	3,238
Fees, fines and forfeitures	1,583	1,934	2,091	2,032	2,000	9,640
Superannuation receipts	7,492	7,675	7,432	7,299	7,000	36,898
Miscellaneous	68,484	60,937	76,443	87,929	95,000	3,68,793
Total ...	2,05,380	1,93,262	2,05,060	2,40,343	2,37,000	10,81,045
Net Grant ...	35,58,607	35,58,607	35,65,507	35,65,507	35,65,507	1,78,13,735
Grand Total ...	37,63,987	37,51,869	37,70,567	38,05,850	38,02,507	1,88,94,780
<i>Actual Charges.</i>						
Presidency Police	1,60,358	1,57,375	1,60,949	1,52,947	1,50,000	7,81,629
Superintendence	12,600	12,799	11,792	11,358	13,000	61,549
District Executive Force	34,63,831	32,46,660	32,46,584	32,71,717	32,68,000	1,64,96,792
Village Police	6,63,944	4,95,989	5,42,370	5,95,943	5,40,000	28,38,246
Railway Police	22,459	21,792	19,942	23,882	25,000	1,13,075
Total ...	43,23,192	39,34,615	39,81,637	40,55,847	39,96,000	2,02,91,291
Difference ...	-5,59,205	-1,82,746	-2,11,070	-2,49,997	-1,93,493	-13,96,511

For convenience of reference the figures relating to Police Shetsandis noticed above are given here :—

	1877-78.	1878-79.	1879-80.	1880-81.	1881-82.
	Rs.	Rs.	Rs.	Rs.	Rs.
Receipts	3,60,583	3,38,241	3,53,398	3,50,208	3,58,000
Charges	3,60,583	3,38,241	3,53,398	3,50,208	3,58,000

Marine.

46. The receipts are chiefly from fees, and the charges explain themselves. There is the same tendency towards increase, part of which is explained by the special grant for repairs to the Tug "Manora." The receipts and charges on account of the survey of passenger steamers are also shown here—

	1877-78.	1878-79.	1879-80.	1880-81.	Budget, 1881-82.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assignment	28,000	28,000	28,000	28,000	28,000	1,40,000
<i>Actual Receipts.</i>						
Registration and other fees ...	27,709	30,818	39,453	51,019	50,000	1,98,999
Net Grant ...	2,235	2,235	2,235	2,235	2,235	11,175
Grand Total ...	29,944	33,053	41,688	53,254	52,235	2,10,174
<i>Actual Charges.</i>						
Salaries and allowances of Officers	7,597	3,242	6,649	12,520	16,000	46,008
Building and repairs of ships ...	17	703	.....	5,258	1,000	6,978
Victuals purchased for crews of ships and vessels	2,518	107	.....	.....	6,000	8,625
Coals and other fuel	932	.....	.....	3,150	4,000	8,082
Timber, Stores, &c.	7,695	15,080	.....	20,447	2,000	46,122
Pilotage, Pilot Establishments and Vessels	2,866	2,756	2,996	2,893	3,000	14,031
Marine Establishments, Provincial	19,700	16,182	15,825	16,043	20,000	87,750
Miscellaneous ... ..	.....	93	4,974	10,796	7,000	22,863
Deduct—A moiety of the charges of the Tug "Manora" is payable from Local Funds ...	40,845	39,063	30,444	71,107	59,000	2,40,459
	.....	.....	.....	.....	15,000	15,000
Total ...	40,845	39,063	30,444	71,107	44,000	2,25,459
Difference ...	-10,901	-6,010	+ 11,241	- 17,853	+ 8,235	-15,285

Education.

47. This is a considerable item if regard be had to the fact that a very large expenditure is also incurred by Local Funds and by private endowments. The expenditure has all along been in excess of the funds allotted for the purpose, and I would draw attention to the increase under Government Colleges and the large sums expended in "grants-in-aid" and "payments by result"—

	1877-78.	1878-79.	1879-80.	1880-81.	Budget, 1881-81.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assignment	1,04,800	1,04,800	1,04,800	1,04,800	1,04,800	5,24,000
<i>Actual Receipts.</i>						
Fees, Government Colleges ...	27,010	27,441	30,671	35,272	29,000	1,49,394
Ditto Schools	1,10,177	1,13,989	1,15,278	1,25,412	1,14,000	5,78,856
Contributions	27,357	24,074	35,286	46,803	29,000	1,62,520
Miscellaneous	11,184	14,326	17,412	13,560	14,000	70,482
Total ...	1,76,728	1,79,830	1,98,647	2,21,047	1,86,000	9,61,252
Net Grant ...	7,42,009	7,42,009	7,42,009	7,42,009	7,42,009	37,10,045
Grand Total ...	9,17,737	9,21,839	9,40,656	9,63,056	9,28,009	46,71,297
<i>Actual Charges.</i>						
University	41,568	31,435	31,547	31,242	32,000	1,67,792
Direction	45,129	36,810	37,861	39,109	40,000	1,98,909
Inspection	1,98,241	1,79,120	1,94,786	1,84,822	1,90,000	9,46,969
Government Colleges, General ...	1,19,418	1,20,667	1,14,095	1,20,568	1,34,000	6,08,748
Ditto Special	60,586	66,112	73,839	74,959	75,000	3,50,496
Government Schools	3,00,741	3,10,674	3,03,378	3,12,235	3,08,000	15,35,028
Normal Schools or Training Colleges	41,028	42,256	42,682	44,579	44,000	2,14,545
Technical Schools	25,113	22,536	18,904	29,882	27,000	1,23,435
Scholarships	27,658	27,904	29,574	29,662	31,000	1,45,798
Grants for the encouragement of Literature	12,669	9,150	11,622	9,507	8,000	50,948
Government Book Depot	11,543	11,548	11,135	4,732	.....	38,958
Grants-in-aid	97,191	59,709	65,598	48,505	67,000	3,38,003
Payments by result	70,641	69,408	67,536	69,999	70,000	3,47,584
Miscellaneous	1,843	911	3,971	3,093	2,000	11,818
Total ...	10,53,369	9,83,240	10,06,523	10,02,894	10,28,000	50,79,031
Difference ...	-1,35,632	-66,401	-65,872	-39,838	-99,991	-4,07,734

Ecclesiastical.

48. There has always been a saving in the grant for this service except in one year. "Cemeteries" and "Office rent" come from the old contract arrangements. The increase last year was due to the transfer of "Ecclesiastical Establishments" of Political Agencies to Provincial Services with a corresponding grant—

	1877-78.	1878-79.	1879-80.	1880-81.	Budget, 1881-82.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Net Grant	3,14,122	3,14,122	3,14,832	3,39,129	3,38,832	16,21,037
<i>Actual Charges.</i>						
Ecclesiastical Establishments ...	2,53,597	2,67,803	2,91,838	2,99,460	3,00,000	14,12,698
Miscellaneous Ecclesiastical charges	18,864	18,907	18,835	19,566	19,000	95,172
Cemetery Establishments ...	8,090	7,787	7,879	8,002	8,000	39,758
Office Rent	428	.....	.....	.....	.....	428
Total ...	2,80,979	2,94,497	3,18,552	3,27,028	3,27,000	15,48,056
Difference ...	+ 33,143	+ 19,625	- 3,720	+ 12,101	+ 11,832	+ 72,981

Medical.

49. The charges under "Medical" are always high in comparison with the total amount at the disposal of the Government, but at the same time they have been well within the grant plus the receipts. The figures in the following table require no explanation, and the details can readily be found in the printed Budget—

	1877-78.	1878-79.	1879-80.	1880-81.	Budget, 1881-82.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<i>Actual Receipts.</i>						
Medical College fees	12,570	10,000	12,000	13,825	12,000	60,395
Hospital receipts	14,340	16,900	14,776	15,747	14,000	75,763
Lunatic Asylum receipts	8,565	12,383	11,629	11,833	11,000	55,410
Contributions	41,900	41,900	41,500	41,700	41,000	2,08,000
Miscellaneous	8,427	13,192	10,389	6,338	11,000	49,346
Total ...	85,802	94,375	90,294	89,443	89,000	4,48,914
Net Grant ...	11,63,586	11,63,586	11,65,186	12,15,986	12,15,986	59,24,330
Grand Total ...	12,49,388	12,57,961	12,55,480	13,05,429	13,04,986	63,73,244
<i>Actual Charges.</i>						
Medical Establishments	2,50,699	2,48,300	2,53,550	2,82,804	2,92,000	13,27,353
Sanitation and Vaccination	1,58,924	1,47,209	1,74,396	1,70,642	1,48,000	7,99,171
Hospitals and Dispensaries	5,21,021	5,27,112	5,07,090	4,79,649	4,38,000	24,73,472
Grant for Medical purposes	1,11,568	88,738	85,804	85,563	85,000	4,56,673
Medical College	48,823	35,734	30,064	35,765	35,000	1,85,386
Lunatic Asylum... ..	95,015	1,01,488	96,515	1,01,205	84,000	4,78,223
Lock Hospitals... ..	...	...	...	...	35,000	35,000
Chemical Examiner	20,392	20,306	19,292	20,851	19,000	99,841
Total ...	12,06,442	11,68,887	11,67,311	11,76,479	11,36,000	58,55,119
Difference ...	+ 42,946	+ 89,074	+ 88,169	+ 1,28,950	+ 1,68,986	+ 5,18,125

Stationery and Printing.

50. This head comprises a portion of the old contract "Printing" head and the new head "Stationery", but there have been several transfers between it and "Jails" and "Stamps". There is an increase here on account of "Stationery supplied from Central Stores" and a similar one under "Stamps." It may be as well to state that the accounts are

shown here according to the existing classification, consequently they will not agree with the printed Budgets of the year—

	1877-78.	1878-79.	1879-80.	1880-81.	Budget, 1881-82.	Total.
<i>Actual Receipts.</i>	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Stationery receipts ... ..	...	12,814	669	3,057	1,000	17,540
Sale of Gazettes and other publications ..	16,545	10,770	11,873	10,502	12,000	61,690
Other Press receipts	24,308	20,127	18,352	25,992	22,000	1,10,779
Total ...	40,853	43,711	30,894	39,551	35,000	1,90,009
Net Grant ...	4,33,677	4,33,677	4,33,677	4,43,677	4,33,677	21,73,385
Grand Total ...	4,74,530	4,77,388	4,64,571	4,83,228	4,68,677	23,68,394
<i>Actual Charges.</i>						
Stationery Office at the Presidency ...	15,568	25,294	16,907	19,764	18,000	95,533
Government Presses	2,55,361	2,22,708	2,25,663	2,35,080	2,37,000	11,75,812
Printing at private Presses	2,892	3,288	13,887	5,900	7,000	32,967
Stationery supplied from Central Stores ...	2,33,000	2,41,048	2,21,163	1,99,522	2,50,000	11,44,733
Total ...	5,06,821	4,92,338	4,77,620	4,60,266	5,12,000	24,49,045
Difference ...	-32,291	-14,950	-13,049	+ 22,962	-43,323	-80,651

Interest.

51. The figures given here comprise interest on "Medical" and "Educational" endowments formerly for the most part considered local :—

	1877-78.	1878-79.	1879-80.	1880-81.	Budget 1881-82.	Total.
<i>Actual Receipts.</i>	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Interest on Government Securities ...	51,140	53,206	48,115	57,135	59,000	2,68,596
	51,140	53,206	48,115	57,135	59,000	2,68,596

Political Agencies.

52. This is a small charge on account of "Office Rent and Taxes," resulting in a small saving :—

	1877-78.	1878-79.	1879-80.	1880-81.	Budget 1881-82.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Net Grant ...	4,000	4,000	4,890	4,890	4,890	22,670
<i>Actual Charges.</i>						
Rent, Rates and Taxes	1,752	1,788	2,842	3,862	2,000	12,244
Total ...	1,752	1,788	2,842	3,862	2,000	12,244
Difference ...	+ 2,248	+ 2,212	+ 2,048	+ 1,028	+ 2,890	+ 10,426

Allowances and Assignments.

53. The receipts on account of Inámdárs are credited to "4. Land Revenue" as noted in para. 33. Compensation on account of abolition of rights to collect "Excise" have also been brought here amounting to Rs. 2,33,566 in 1880-81 and Rs. 2,08,000 in 1881-82.

	1877-78.	1878-79.	1879-80.	1880-81.	Budget 1881-82.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Net Grant ..	64,72,000	64,72,000	65,45,133	65,13,500	65,13,500	3,25,16,133
<i>Actual Charges.</i>						
Inámdárs	46,56,338	46,46,209	46,19,234	45,89,993	46,52,000	2,31,63,774
Pensions in lieu of resumed lands.	17,55,724	17,87,249	17,93,294	18,05,589	17,85,000	89,26,856
Compensations	1,33,564	1,59,019	1,74,992	5,14,159	4,21,000	14,04,734
Miscellaneous	761	1,667	1,211	4,094	2,000	9,733
Total ...	65,48,387	65,94,144	65,88,731	69,13,835	68,60,000	3,35,05,097
Difference ..	-76,387	-1,22,144	-43,598	-4,00,335	-3,46,500	-9,88,964

The figures given in para. 33 apply here thus :—

	1877-78.	1878-79.	1879-80.	1880-81.	1881-82.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<i>Allowances and Assignments Receipts.</i>						
Portion of assignment	52,24,000	52,24,000	52,24,000	52,24,000	52,24,000	2,61,20,000
Actual	52,62,208	53,30,381	52,30,898	52,58,395	53,40,000	2,64,30,882
Net Grant	12,48,000	12,48,000	13,21,133	12,89,500	12,89,500	63,96,133
Grand Total ...	65,10,208	65,87,381	65,52,031	65,47,895	66,29,500	3,28,27,015
Expenditure	65,48,387	65,94,144	65,88,731	69,13,835	68,60,000	3,35,05,097
	-38,179	-6,763	-36,700	-3,65,940	-2,30,500	-6,78,082

Superannuations.

54. This is necessarily a growing charge, and the grant is not sufficient for the purpose. The actuals of 1877-78 contained a number of gratuities granted to retiring Staff Corps officers :—

	1877-78.	1878-79.	1879-80.	1880-81.	Budget, 1881-82.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assignment	80,000	80,000	80,000	80,000	80,000	4,00,000
<i>Actual Receipts.</i>						
Contributions for Pensions and Gratuities	1,09,587	1,49,437	1,26,828	1,31,188	1,18,000	6,35,040
Net Grant ...	7,20,000	7,20,000	7,20,100	7,20,100	7,20,100	36,00,300
Grand Total ...	8,29,587	8,69,437	8,46,928	8,51,288	8,38,100	42,35,340
<i>Actual Charges.</i>						
Superannuation and Retired al- lowances... ..	6,68,278	7,00,757	7,65,358	8,67,175	8,70,000	38,71,568
Compassionate allowances ...	1,15,497	1,12,630	1,11,426	1,14,960	1,17,000	5,71,513
Gratuities	1,40,373	56,640	72,183	51,655	47,000	3,67,851
Total ...	9,24,148	8,70,027	9,48,967	10,33,790	10,34,000	48,10,932
Difference ...	-94,561	-590	-1,02,039	-1,82,502	-1,95,900	-5,75,592

Miscellaneous.

55. The chief items of increased charge are "Rewards for proficiency in Oriental languages," "Subscriptions to periodicals" which has doubled in the last few years, "Rewards for

the destruction of wild animals" and "Rents, rates and taxes." The item "Rewards for the destruction of wild animals" in 1879-80 was raised chiefly by the rewards given for the destruction of rats in the Deccan. In 1880-81, Rs. 63,392 were written off on account of irrecoverable takávi advances in the Panch Maháls (Appendix B. 24)—

	1877-78.	1878-79.	1879-80.	1880-81.	Budget 1881-82.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assignment	1,71,150	1,72,150	1,73,250	1,73,250	1,73,250	8,63,050
<i>Actual Receipts.</i>						
Unclaimed Deposits	11,794	13,035	12,409	10,410	9,000	56,648
Unclaimed Bills of Exchange of more than 3 years' standing ...	.....	.....	1,120	.....	1,000	2,120
Lapsed Military Cheques ... ..	.....	873	.....	93	.....	966
Sale of old stores and materials ...	3,433	3,534	3,722	1,308	4,000	15,997
Rents	1,440	1,134	14,051	11,895	14,000	42,520
Miscellaneous Fees, Fines and Forfeitures	15,446	13,296	6,293	7,544	5,000	47,579
Miscellaneous	83,045	59,126	33,861	46,797	44,000	2,66,829
Total	1,15,158	90,998	71,456	78,047	77,000	4,32,659
Net Grant	+11,518	+10,518	-5,854	+9,618	+9,618	+35,418
Grand Total	1,26,676	1,01,516	65,602	87,665	86,618	4,68,077
<i>Actual Charges.</i>						
Allowance to Civil Servants out of employ ... ..	.....	74	103	1,065	500	1,742
Travelling allowances to Covenant- ed and Uncovenanted officers attending examinations	1,005	1,486	725	1,298	1,000	5,514
Rewards for proficiency in Ori- ental Languages and allowances to Language Examination Com- mittee	12,141	11,704	16,932	11,098	16,500	68,375
Subscription to periodicals	7,200	18,162	14,400	14,400	14,400	68,562
Cost of books and publications ...	5,316	7,524	10,221	8,029	6,000	37,090
Donations for charitable pur- poses	42,748	30,530	27,832	19,386	21,000	1,41,496
Charges on account of European vagrants	8,094	11,016	8,118	6,766	10,000	43,994
Rewards for destruction of wild animals	10,338	8,949	1,83,955	14,789	10,000	2,28,031
Petty Establishments	2,584	2,105	19,968	18,240	20,000	62,917
Rents, Rates, and Taxes	75,271	68,123	75,016	82,512	76,600	3,77,522
Miscellaneous and Unforeseen charges	35,169	22,989	19,314	89,664	24,000	1,91,136
Contributions ... ..	.....	6,322	.....	.....	.....	6,322
Total	1,99,866	1,88,984	3,76,584	2,67,267	2,00,000	12,32,701
Difference	-73,190	-87,468	-3,10,982	-1,79,602	-1,13,382	-7,64,624

Public Works.

56. Explanations of these items can best be obtained departmentally as they do not come within my audit. In 1877-78, a deduction of Rs. 58,43,100 was made from the actual expenditure under this head for 1877-78 by a transfer to Imperial Famine Relief expenditure in accordance with para. 31 of the contract Resolution (App. B. 2):—

	1877-78.	1878-79.	1879-80.	1880-81.	Budget, 1881-82.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assignment	60,000	60,000	60,100	60,100	60,100	3,00,300
<i>Actual Receipts.</i>						
In charge of Public Works Officers	7,13,578	8,47,621	5,98,542	6,09,977	5,94,000	33,65,577
In charge of Civil Officers ...			1,859			
Total	7,13,578	8,47,621	6,00,401	6,09,977	5,94,000	33,65,577
Net Grant	27,35,961	26,94,651	27,03,551	27,03,551	27,03,551	1,35,41,265
Grand Total	34,49,539	35,42,272	33,03,952	33,13,528	32,97,551	1,69,06,842
<i>Actual Charges.</i>						
In charge of Public Works Officers	8,28,440	28,22,231	25,84,348	24,55,937	25,60,000	1,12,90,645
In charge of Civil Officers ...			19,689		20,000	
Total	8,28,440	28,22,231	26,04,037	24,55,937	25,80,000	1,12,90,645
Difference	+26,21,099	+7,20,041	+6,99,915	+8,57,591	+7,17,551	+56,16,197

Contributions to Local Funds.

57. These consist of the items noted in para. 29, explanation 17, contributed to Local Funds for educational purposes and for village and district roads :—

	1877-78.	1878-79.	1879-80.	1880-81.	Budget 1881-82.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<i>Actual Receipts.</i>						
Contribution from Local Funds—	...	40,000	21,661	20,076	24,000	1,05,737
Net Grant	4,10,473	4,10,473	4,10,473	4,10,473	4,10,473	20,52,365
Grand Total	4,10,473	4,50,473	4,32,134	4,30,549	4,34,473	21,58,102
<i>Actual Charges.</i>						
Contribution to Local Funds	3,41,995	3,93,137	4,06,395	4,08,430	4,00,000	19,49,957
Total	3,41,995	3,93,137	4,06,395	4,08,430	4,00,000	19,49,957
Difference	+68,478	+57,336	+25,739	+22,119	+34,473	+2,08,145

Special Contribution to Imperial Funds.

58. This was made in terms of G. I. Nos. 2076 and 3631, dated 5th August and 6th November 1879, by a payment of four lakhs in 1879-80 and four lakhs in 1880-81 and is now completed.

59. I have now completed my detailed review of the several heads of expenditure and receipt comprised in "Provincial Services," and I trust that the care given to the explanations will enable His Excellency the Governor in Council to ascertain the exact character of each major head of account. The general outcome of the whole review is that the Provincial balances have been allowed to fall below what may be considered a safe reserve, and that no funds are available for the extension of material public improvements. I need only refer to the quotation given in para. 27 to show what importance is attached to this question of provincial balances. There can be no doubt that a balance of fifteen or twenty lakhs is insufficient to meet a general famine like that of 1877, but it will cover the loss occasioned by ordinary droughts and floods, and such loss is clearly to be met from Provincial resources. It is only when the calamity is national and great that the Famine Insurance Fund will be debited with these charges. The only means for arriving at this desirable surplus are :—

- (a). Transfer from the surplus of Local Funds.
- (b). Reduction of expenditure on Provincial Services.
- (c). Increase of Provincial Receipts.

It is no part of my duty to propose ways and means, and therefore the discussion of these three propositions properly rests with the Executive : but as I have been invited to give my opinion, I shall do so with diffidence, as I have not time to go thoroughly into the history of each department. In any case the figures and facts given by me should suggest some mode by which the objects put forward may be obtained. In the remarks already made my attention has been confined to the actuals of receipts and expenditure and the actuals bearing on the contract ; in the following observations I shall restrict myself to a comparison between the Budget and Regular estimates of the year 1880-81, and the actuals of that year as the final accounts have reached that stage in which they may be practically considered as closed.

60. The Budget estimate provided for an opening balance of Rs. 9,12,000 improved in the Regular estimate to Rs. 11,26,000 and actually amounting to Rs. 11,01,477. The receipts for the year were estimated at Rs. 1,86,59,000, but actually yielded Rs. 1,96,22,654. The expenditure for the year was estimated at Rs. 3,34,79,000 and was actually only Rs. 3,31,50,136. These facts may be shown thus :—

			1880-81.		
			Budget.	Regular.	Actuals.
			Rs.	Rs.	Rs.
Opening balance	...	...	9,12,000	11,01,000	11,01,477
Receipts	...	...	1,86,59,000	1,95,96,000	1,96,22,654
Contributions	...	...	20,000	24,000	20,076
Allotments	...	...	1,50,11,000	1,46,73,000	1,46,95,783
	Total	...	3,46,02,000	3,53,94,000	3,54,39,990
Expenditure	...	...	3,34,79,000	3,34,68,000	3,31,50,136
Contributions to Imperial	...	...	4,00,000	4,00,000	4,00,000
Local Funds	...	...	3,99,000	4,00,000	4,08,430
	Total	...	3,42,78,000	3,42,68,000	3,39,58,566
Closing balance	...	...	3,24,000	11,26,000	14,81,424

There was a net increase in receipts of Rs. 9,63,654 over the estimate and Rs. 26,654 over the regular. Under "Land Revenue" there was a decrease of Rs. 10,38,241 as compared with the regular due to non-adjustment of the revenue on service lands in Sholapur and Poona. Assessed taxes fell short of the estimate by Rs. 14,468: the operation of the Deccan Agricultural Relief Act caused a falling off of Rs. 64,635 in Court-fees; there was a falling off of Rs. 25,953 under "Education"; Rs. 6,688 under "Registration"; Rs. 11,865 under "Interest", and Rs. 8,653 under "Minor Departments" and "Miscellaneous". Excise showed an improvement of Rs. 98,392 over the estimate; "Law and Justice" of Rs. 1,09,533 chiefly under 'Jails,' and sale proceeds of escheated property received from the Administrator General. Salt improved by Rs. 17,883; Superannuation contributions by Rs. 11,188; Public Works receipts by Rs. 11,977; Customs by Rs. 5,411, and other heads by Rs. 8,856, giving a net increase over the regular estimate of Rs. 26,654. The sums shown under "Contributions" are due to adjustments with "Local Funds" chiefly for work done.

61. The Actual expenditure compared with the Budget shows a decrease of Rs. 3,28,864 and compared with the Regular a decrease of Rs. 3,17,864. The savings are very generally distributed over all departments. Under Excise there was an excess expenditure of Rs. 15,528; under "Administration" one of Rs. 13,387; under "Police" one of Rs. 55,741; under "Medical" one of Rs. 54,463; under "Superannuation" one of Rs. 18,790; under "Marine" one of Rs. 29,107; and under "Miscellaneous" one of Rs. 9,267. There were savings of Rs. 2,53,063 under "Public Works"; of Rs. 80,094 under "Land Revenue"; of Rs. 15,196 under "Refunds"; of Rs. 24,902 under "Salt"; of Rs. 20,016 under "Stamps"; of Rs. 41,734 under "Stationery and Printing"; of Rs. 15,165 under "Allowances and Assignments"; of Rs. 32,004 under "Law and Justice", and small amounts under other heads.

62. The following are the estimates of Provincial revenue and expenditure for the current year, with the alterations made up to the 15th September. Sufficient time has not yet elapsed to revise usefully the estimate on the basis of actuals :—

Revenue.	Local Government, Provincial.	Government of India, Provincial.	Local Government (revised), Provincial.	Expenditure.	Local Government (original), Provincial.	Government of India, Provincial.	Local Government (revised), Provincial.
	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.
Opening Balance ...	8,31,000	11,26,000	14,81,000	3. Refund ...	2,86,000	2,86,000	2,86,000
I. Land Revenue.	67,54,000	67,54,000	67,54,000	4. Land Revenue ...	66,50,000	66,50,000	66,51,000
IV. Excise ...	52,00,000	54,00,000	54,00,000	6. Excise ...	4,00,000	1,92,000	1,94,000
V. Assessed Taxes.	4,20,000	4,20,000	4,20,000	7. Assessed Taxes ...	27,000	27,000	27,000
VII. Customs ...	76,000	76,000	76,000	9. Customs ...	8,44,000	8,44,000	8,44,000
VIII. Salt ...	36,000	36,000	36,000	10. Salt ...	5,68,000	5,68,000	5,87,000
X. Stamps ...	43,00,000	42,80,000	42,80,000	12. Stamps ...	2,07,000	2,07,000	2,07,000
XI. Registration ...	3,00,000	2,86,000	2,86,000	13. Registration ...	2,60,000	2,90,000	2,90,000
XV. Minor Department ...	20,000	26,000	26,000	15. Post Office ...	90,000	90,000	90,000
XVI. Law and Justice	7,00,000	7,00,000	7,00,000	17. Administration ...	12,09,000	12,09,000	12,10,000
XVII. Police ...	2,37,000	2,37,000	2,37,000	18. Minor Department	1,44,000	1,44,000	1,47,000
XVIII. Marine ...	50,000	50,000	50,000	19. Law and Justice..	53,09,000	53,00,000	53,00,000
XIX. Education ...	1,86,000	1,86,000	1,86,000	20. Police ...	39,96,000	39,96,000	40,57,000
XX. Medical ...	89,000	89,000	89,000	21. Marine ...	44,000	44,000	44,000
XXI. Stationery and Printing ...	35,000	35,000	35,000	22. Education ...	10,34,000	10,28,000	10,48,000
XXII. Interest ...	59,000	59,000	59,000	23. Ecclesiastical ...	3,30,000	3,27,000	3,27,000
XXIII. Superannuation	1,18,000	1,18,000	1,18,000	24. Medical ...	12,06,000	11,36,000	11,36,000
XXIV. Miscellaneous.	77,000	77,000	77,000	25. Stationery and Printing ...	5,12,000	5,12,000	5,12,000
XXVII. Other Public Works ...	5,94,000	5,94,000	5,94,000	26. Political Agencies	2,000	2,000	2,000
Total ...	1,92,51,000	1,94,23,000	1,94,23,000	27. Allowances ...	66,52,000	68,60,000	69,24,000
Imperial allotment ...	1,47,64,000	1,46,75,000	1,49,83,000	29. Superannuation ...	10,34,000	10,34,000	10,34,000
Contributions to Local Fund ...	24,000	24,000	24,000	30. Miscellaneous ...	2,00,000	2,00,000	2,05,000
Grand Total ...	3,48,70,000	3,52,48,000	3,59,11,000	32. Railways ...	...	...	...
Provincial deficits ...	...	...	3,60,000	34. Other Public Works ...	25,63,000	25,80,000	32,68,000
				Total ...	3,35,60,000	3,35,26,000	3,43,90,000
				Contribution to Local Fund ...	4,00,000	4,00,000	4,00,000
				Closing Balance ...	9,10,000	13,22,000	11,21,000
				Grand Total ...	3,48,70,000	3,52,48,000	3,59,11,000
				Provincial surplus ...	79,000	1,96,000	...

63. The receipts from Incorporated Local Funds during the year amounted to Rs. 37,25,069 and the expenditure to Rs. 35,15,752. The facts may be shown as follows:—

	1880-81.		
	Estimate.	Actuals.	Difference.
	Rs.	Rs.	Rs.
Opening balance ...	12,45,000	12,45,450	...
Receipts ...	31,30,000	33,16,639	+ 1,86,639
Contributions ...	4,00,000	4,08,430	+ 8,430
Debt Account ...	52,000	1,359	...
Total ...	48,27,000	49,71,878	...
Expenditure ...	34,52,000	34,95,676	+ 43,676
Contribution ...	24,000	20,076	- 3,924
Debt Account ...	25,000	8,733	...
Closing Balance ...	13,26,000	14,47,393	...

It will be seen that the outcome of the year is more by Rs. 1,95,069 on the receipt side and more by Rs. 39,752 on the charge side. Nothing has hitherto been said about these "Incorporated Local Funds," and I therefore give the following account of the receipts and expenditure for three years and the estimate for the current year—

LOCAL FUNDS.

Receipts.

	1877-78.	1878-79.	1879-80.	1880-81.	Budget for 1881-82.
		Rs.	Rs.	Rs.	Rs.
Opening Balance	10,42,484	11,02,321	12,45,450	13,26,000
I. Land Revenue	1,04,988	89,202	86,946	96,000
VI. Provincial Rates and Taxes...	...	21,34,617	23,71,483	22,51,503	22,60,000
XV. Minor Departments	717	4,596	11,038	4,000
XVI. Law and Justice	2,576	3,816	1,112	...
XVII. Police	1,76,500	1,61,633	1,59,550	1,62,000
XIX. Education	2,58,256	1,85,683	3,20,204	1,84,000
XX. Medical	201	652	1,000
XXII. Interest	7,951	29,952	33,859	27,000
XXIII. Superannuation	53,291	35,525	33,907	35,000
XXIV. Miscellaneous	69,363	41,592	90,016	46,000
XXVII. Other Public Works	2,99,767	2,98,797	3,27,852	3,20,000
Total	31,08,021	32,22,480	33,16,639	31,35,000
Contributions	3,93,137	4,06,395	4,08,430	4,00,000
Debt	3,363	46,513	1,359	...
Grand Total	45,47,005	47,77,709	49,71,878	48,61,000
Local Deficit ...					3,10,000

	1877-78.	1878-79.	1879-80.	1880-81.	Budget for 1881-82.
		Rs.	Rs.	Rs.	Rs.
2 Interest on Service Funds	25,964	17,386	16,789	18,000
3 Refunds	54,734	20,056	23,176	20,000
8 Provincial Rates	47,479	54,670	47,133	61,000
17 Administration	11,884	18,269	18,326	20,000
18 Minor Departments	96,702	79,516	1,00,358	1,07,000
19 Law and Justice	20	343	...	...
20 Police	68,877	72,594	69,024	74,000
22 Education...	...	10,32,075	10,03,245	11,24,209	11,79,000
24 Medical	1,25,596	1,31,022	1,37,373	1,64,000
25 Stationery and Printing	39	1,262	5,124	6,000
29 Superannuations	762	80,680	1,451	2,000
30 Miscellaneous	83,402	76,415	72,260	50,000
34 Other Public Works	18,54,442	19,15,274	18,80,453	21,20,000
Total	34,01,976	34,70,782	34,95,676	38,21,000
Contributions	40,000	21,661	20,076	24,000
Debt	2,708	39,866	8,733	25,000
Total	34,44,684	35,32,259	35,24,485	38,70,000
Closing Balance	11,02,321	12,45,450	14,47,393	9,91,000
Grand Total	45,47,005	47,77,709	49,71,878	48,61,000

64. These figures would apparently show that the "Local Funds" have more money than they know how to spend and which may be utilised (a) by the transfer of charges to Local funds ; or (b) by the reduction of contributions from Provincial funds to Local funds or (c) by the transfer of a portion of the surplus to Provincial funds. In any or all of these three methods the desired change may be effected, though the first and second seem to be the more practicable. Each fund closes to its own balance, and this, where excessive, can be reduced by debiting to it charges now borne by Provincial funds and which may rightly be transferred to Local Funds or by transferring a portion in the shape of a contribution to Provincial on account of aid given to Local objects. The history of the Local Funds is sufficiently given in Mr. Burn's pamphlet of 1871 and their distribution into 'Incorporated' and 'Excluded' in the Resolution of Government of India, No. 2362, dated 1st August 1880. The receipts and charges of excluded Local funds were as follows :—

				1879-80.	1880-81.	1881-82.
				Rs.	Rs.	Rs.
Opening balance	...	...	...	4,52,076	5,09,011	3,25,345
Receipts	...	...	...	6,43,917	5,80,216	4,31,813
			Total	10,95,993	10,89,227	7,57,158
Expenditure	...	...	...	5,86,982	7,63,882	4,41,595
Closing balance	...	...	...	5,09,011	3,25,345	3,15,563

They comprise the Báriya tribute, Indus conservancy, Cutch infanticide Dispensary and School endowments, Cantonment and Station improvement funds, and do not include the transactions of the Local funds of a private nature which merely bank with Government Treasuries and are not controlled by this office.

65. The questions of reduction of expenditure and improvement of receipts would require a more close and comprehensive review of each head than I am at present prepared to make. Much, however, can be accomplished by a close scrutiny of the Budget for the next year, now under preparation. It is commonly supposed that because a charge happens to pass through the Budget, it can be at once acted on, but no change can be made without formal sanction, and this should be obtained now before inclusion in the Budget which should represent a complete sanctioned provision for the whole year. Again, it is supposed that the unexpended portion of a grant can be re-appropriated in addition to the grant for the year. This would destroy the very essence of the Budget system. All grants lapse (except in a few very special cases) on the 31st March of each year, and if the head of a Department believes that there will be savings on the grant for the year which should be added to the ordinary allotment of the succeeding year, he should provide for these in his Budget for the ensuing year. He cannot after that Budget has been sanctioned ask as a right for the unexpended portion of the grant of the previous year, for that has lapsed, and forms a portion of the balance. He can ask, and does ask, for an additional grant, but it is hardly necessary to say that the practice of asking for additional grants shows, as a rule, a want of care in the preparation of the budget. It is in scrutinising the Budget provisions that Government can best make retrenchments, for once the sanctioned Budget reaches disbursing officers but little control can be exercised, and here too I would remark that stringent orders might with advantage issue prohibiting officers from incurring charges requiring sanction without first obtaining sanction. In this way much undesirable contingent and miscellaneous expenditure is incurred, and it is here and in travelling allowances and the like that some reduction of charge seems possible. Each head and each item indeed will have to be considered on its own merits, and it would tend to confusion to discuss these matters here. The charges appear high under "Education", "Medical" and "Ecclesiastical" and in parts under "Police" and "Jails". The receipts under "Registration" and "Stamps" ought to admit of expansion, and

the receipts from "Record-rooms" seem particularly small, for which there may be special reasons, but I simply mention them as occurring to me. Taking the income as a whole it may be safely said that the Presidency, though not a rich one, is well able to pay its own way as matters stand and ought to be able to devote a much larger sum than it does to the material improvements so much needed as roads, light-railways, canals and the like.

66. I believe that some advance may be effected by carrying out the decentralisation scheme in the Province itself. This can be done by the allotment of fixed maximum amounts for items of petty charge beyond which the disbursing officer should not be allowed to go. The real check over these charges rests with him and his scrutiny should be careful and thorough. He alone is responsible for the expenditure of his Budget grant and no one else can effectually prevent extravagance. The controlling officer or head of the Department to which the disbursing officer belongs can exercise a general control and see that orders are obeyed and that books are properly kept at his general inspection, and to these controlling authorities much more discretion should be given than they at present possess under broad instructions as to how such discretion should be exercised. This would curtail the correspondence on these subjects very much and give more time for the weightier matters of administration. There are highly paid officers at the head of each Department, and in my opinion Government would not lose by delegating a portion of its power of sanction to them. The control would remain in the monthly returns of sanctions, and Government could then alter, enlarge, or curtail the power in particular cases. The question of the decentralisation of the check on contingencies will be brought before Government in a separate communication, and that concerning the decentralisation of the power of sanction might well be referred to a Committee.

E. T. ATKINSON,
Accountant General.

Bombay, 15th September 1881.

APPENDIX A.

No. 1.

Government of India, Financial Department, No. 3334, dated 14th December 1870.

The Governor General in Council is satisfied that it is desirable to enlarge the powers and responsibility of the Governments of Presidencies and Provinces in respect to the public expenditure in some of the Civil Departments.

2. Under the present system these Governments have little liberty and but few motives for economy in their expenditure : it lies with the Government of India to control the growth of charges to meet which it has to raise the revenue. The Local Governments are deeply interested in the welfare of the people confided to their care ; and, not knowing the requirements of other parts of the country, or of the empire as a whole, they are liable, in their anxiety for administrative progress, to allow too little weight to fiscal considerations. On the other hand, the Supreme Government, as responsible for the general financial safety, is obliged to reject many demands in themselves deserving of all encouragement, and is not always able to distribute satisfactorily the resources actually available.

3. Thus it happens that the Supreme and Local Governments regard from different points of view measures involving expenditure ; and the division of responsibility being ill-defined, there occur conflicts of opinion injurious to the public service. In order to avoid these conflicts it is expedient that, as far as possible, the obligation to find the funds necessary for administrative improvements should rest upon the authority whose immediate duty it is to devise such measures.

4. This is the more important because existing Imperial resources will not suffice for the growing wants of the country. Writing of roads and communications in October 1869 the Government of India in the Public Works Department stated that it had for some years—

“ been satisfied that to attempt to provide and maintain all the roads required for the intercommunications of so vast a territory, from the ordinary revenues, would be to enter on an altogether impracticable task. The matter”, it was added, “ has been before this Government on several occasions since 1862, and the view now taken of it has already received, in general terms, the approval of the Secretary of State. It is only by a judicious system of local assessment and control that what is needed can be accomplished.”

This is not less true of some other Departments of the Administration.

5. The Supreme Government is not in a position to understand fully local requirements, nor has it the knowledge necessary for the successful development of local resources. Each province has special wants of its own, and may have means for supplying them which could not be appropriated for imperial purposes. A tax adapted to the circumstances of one part of the country may be distasteful or inapplicable elsewhere ; and, everywhere, rates may be proper for provincial or local purposes, which could not be taken for the imperial revenue.

6. These principles are now generally recognised, and important steps have been already taken to develop provincial resources. The Government of Bombay has, for some years, raised a considerable revenue for local purposes. Important measures to the same intent are under the consideration of the Legislative Council of Madras. The Government of Bengal is maturing a scheme in accordance with the decision of the Secretary of State, for the levy of a rate for local objects in the Lower Provinces of Bengal. In all the other Provinces of India provincial revenues have long been raised, and measures for increasing them are now being devised.

7. These measures have been promoted chiefly to provide for urgent administrative wants, the means for which are not otherwise forthcoming. It is inexpedient that the funds so raised should be intercepted, to any considerable extent, for objects the cost of which has been hitherto defrayed from the general revenues, even though such objects be of an admittedly local character. Moreover, the Governor General in Council is not desirous that the demands on the people for provincial purposes should be indefinitely, or too rapidly, increased.

8. It would have been satisfactory had His Excellency in Council been able to propose the enlargement of the power and responsibility of the Local Governments without charging upon local resources any part of the existing Imperial expenditure. This cannot be done ; but it has been determined to make as small a demand upon these resources as possible. At the same time it should be remembered that the relief of the Imperial finances has been a principal object in the discussion of such measures on former occasions.

9. The income-tax of six pies in the rupee imposed for the current year was never intended to be permanent, and the Governor General in Council has already announced a resolution not to renew the tax for next year at this high rate unless some unforeseen contingency compels him to do so.

10. It was thought at first that the income-tax could not be reduced to the desired extent without imposing upon local resources almost as large a sum as might be given up. Anticipations made so long before the beginning of the financial year must be uncertain; but, as far as the Governor General in Council can now judge, it will be possible next year to give substantial relief from existing taxation without the substitution of any considerable new burden.

11. The Government of India is accordingly pleased to make over to the Governments, under certain conditions to be presently set forth, the following Departments of the administration in which they may be supposed to take special interest; and to grant permanently, from the Imperial revenue, for these services the sum of £4,688,711, being less by £330,801 only than the assignments made for the same services in 1870-71:—

Jails,	Printing.
Registration.	Roads.
Police.	Miscellaneous Public Improvements.
Education.	Civil Buildings.
Medical Services (except "Medical Establishments.")*	

A statement, explanatory of the method by which the assignments to be thus made have been calculated, is given in para. 6 of the memo. This statement shows the estimated receipts and charges under the first six of these heads during the current year, the "Police" charges in Bombay and the North-Western Provinces having been slightly reduced by the final adjustments necessary in consequence of the Government becoming liable for the superannuation allowances of the force.

12. The figures entered for "Roads", "Civil Buildings" and "Miscellaneous Public Improvements" are the grants for this year, exclusive of the sum of £135,679 reserved for certain works which will not in future be a charge upon Local Governments, but will be separately provided for by the Supreme Government. The portion of this £135,679 reserved in each province bears the same proportion to the grant made to the province for the current year that the expenditure in the province, upon the reserved works, has borne, during the last five years, to the whole expenditure under these three heads.

13. To the £1,168,701 thus assigned for "Works", £327,236 has been added for "Establishments" and "Tools and Plant," being the proportion of the current year's grants for these purposes which appertains to that share of the total grants for "Works" of all kinds which is transferred. This £327,236 has been distributed among the Presidencies and Provinces in the proportions in which the larger sum of £1,168,701 has been distributed. The Governments will henceforth provide themselves with "Tools and Plant" without the intervention of the Government of India. The future arrangements in regard to "Establishments" cannot be settled without detailed correspondence. For the year 1871-72 the Supreme Government will continue to provide "Establishments" as heretofore, and each Presidency or Province must bear a share of the cost in the proportion which the estimated outlay upon "Works" from Provincial Funds† bears to the total estimated outlay upon "Works", Ordinary and Extraordinary, Imperial and Provincial, in all India. It is to be clearly understood that Local Governments must maintain in efficient repair existing lines of through communication, such as the trunk roads, unless authorised by the Supreme Government to abandon them.

14. The actual permanent Imperial assignments for "Provincial Services" will be, then, as follows; all receipts heretofore credited in connection with these services being given up to the Provinces in which they accrue:—

Oudh	206,948
Central Provinces	261,263
Burmah	275,332
Bengal	1,168,592
North-Western Provinces	640,792
Punjab	516,221
Madras	739,488
Bombay	880,075
	<u>£4,688,711†</u>

15. In calculating these allotments £350,000 has been deducted rateably from the grants made to the several Provinces in 1870-71. But it has been thought expedient to remit the deduction (£19,199) which would thus fall upon British Burmah, the circumstances of that Province being exceptional. No additional deduction has been made from the other Provinces in consequence of this concession to Burmah.

* By "Medical Establishments" here is meant the first sub-division of the grant 22, Medical Services, as hitherto made.

† Note.—"Provincial Funds" here does not include existing "Local Funds".

‡ Note.—If it be found when the accounts of the year 1870-71 are made up, that the actual expenditure during that year for the official postage of the services affected exceeds the amount of the grants for that purpose, then the several assignments will be, once for all, increased by the difference.

16. These assignments will not be classified in the Financial Statement and in the Imperial estimates and accounts, but will appear under a single new head, "Provincial Services". The Imperial revenue will continue to bear such charges for the absentee and superannuation allowances of officers on establishments now transferred as have hitherto appeared in the Home accounts, or under other heads in the Indian accounts. But it would be inconvenient and difficult to maintain any distinction between these officers and officers who are paid from other local funds, or who may be added hereafter for "Provincial Services". Questions of some importance regarding this and other like details will have to be settled hereafter.

17. Unless some fiscal misfortune, such as a heavy loss in the opium revenue, or national disaster, such as war or severe famine, occurs, the Governor General in Council will maintain, for the future, the assignments for "Provincial Services" at the amounts now fixed. They will not in any case be reduced without previous consultation with the Governments.

18. For the coming year the Provincial Service estimates should be immediately prepared upon the basis of these assignments, which may be distributed at the discretion of the Governments among the several departments for which they will now be responsible. Any portion of the assignment made to any Province that may be unspent at the end of the year will not lapse to the Imperial revenue, but will remain at the disposal of the Local Government. The estimates and accounts of these Governments should, therefore, open and close with balances brought and carried forward. They should show not only the receipts and charges of the new "Provincial Services", but also the income and expenditure of all existing local funds, it being understood of course that the Governments are not relieved by this resolution from any legal or equitable obligation which may govern the appropriation of any particular local fund. It is essential that the estimates and accounts of all the Presidencies and Provinces should be uniform, and the precise forms to be used will be settled by the Supreme Government. The Imperial financial year must be the Provincial year of account.

19. Each Local Government will publish its own yearly estimates and accounts in the local Gazette, together with a financial exposition (which should, where possible, be made before the local Legislative Council) analogous to that annually made in the Legislative Council of the Governor General. The several estimates and accounts will be compiled, and a general statement for all India published as a supplement to the Imperial estimates and accounts.

20. In preparing its estimates for the coming year each Government will have to consider, without delay, how any deficiency in the ways and means for its "Provincial Services" can most conveniently be supplied.

* It must be understood that these conditions are prescribed, for the present, tentatively; and that they are subject to revision as experience may require.

21. The financial control which is thus entrusted to the Local Governments is to be exercised subject to the following conditions*—

I.—Without the previous sanction of the Government of India—

- (1) No appointment is to be created with a salary of more than Rs. 250 a month, and no addition is to be made to the pay and allowances of any officers if they exceed, or would after the addition exceed, Rs. 250 a month.
- (2) No class or grade of officers is to be created or abolished, and the pay of no class or grade of officers is to be raised:
- (3) No addition is to be made to the pay or allowances of any individual, or class of officers, that would lead to increase in the emoluments of any public servants doing duty in the same province, whose pay and allowances are charged to the Imperial revenues. The Government of India reserves to itself the right to forbid alterations in rates of pay or allowances, which, in its opinion, would produce inconvenience in other provinces:
- (4) No moneys are to be removed from the public treasuries for investment:
- (5) No services now rendered to other departments at the charge of the departments made over to the control of the Local Governments are to be diminished, and no services now rendered to these departments at the charge of other departments are to be increased.

II.—The Rules of the Supreme Government in respect to leave of absence and absentee, deputation, and superannuation allowances are to be observed.

III.—Returns, accounts, and estimates are to be submitted to the Supreme Government in such forms, and at such times, as may be prescribed.

22. The Governor-General in Council is fully aware that this Resolution will effect a wide change in Indian administration. It has been adopted after long and careful consideration, in the hope that it will be received by the Governments in the spirit in which it is promulgated. The Governor-General in Council believes that it will produce greater care and economy, that it will import an element of certainty into the fiscal system which has hitherto been absent, and that it will lead to more harmony in action and feeling between the Supreme and the Provincial Governments than has heretofore prevailed.

23. But beyond all this, there is a greater and wider object in view. Local interest, supervision, and care are necessary to success in the management of funds devoted to Educa-

tion, Sanitation, Medical Charity, and Local Public Works. The operation of this Resolution in its full meaning and integrity, will afford opportunities for the development of self-government, for strengthening municipal institutions, and for the association of Natives and Europeans, to a greater extent than heretofore, in the administration of affairs.

24. The Governor General in Council is aware of the difficulties attending the practical adoption of these principles. But they are not insurmountable. Disappointments and partial failures may occur; but, the object in view being the instruction of many peoples and races in a good system of administration, His Excellency in Council is fully convinced that the Local Governments and all their subordinates will enlist the active assistance, or, at all events, the sympathy of many classes who have hitherto taken little or no part in the work of social and material advancement.

25. The additional powers of financial control, which will now be assumed by the Governments, must be accompanied by a corresponding increase of administrative responsibility. It is the desire of the Governor General in Council to confine the interference of the Supreme Government in India in the administration of the "Provincial Services" to what is necessary for the discharge of that responsibility which the Viceroy in Council owes to the Queen and her responsible advisers, and for the purpose of securing adherence to the financial conditions now prescribed, and to the general policy of the Government of India.

26. The procedure of the Departments of "Registration", "Jails", and "Police", is to a large extent governed by law. No law exists upon the subject of "Education", but the policy of the Government has been declared and prescribed in despatches* from the Secretary of State, the authority of which, and of the rules sanctioned by the Government of India regarding "grants-in-aid" and other matters of general principle, is not affected by this Resolution.

*Such as No. 49, dated 19th July, 1854.
 " 4, " 7th April 1859.
 " 1, " 23rd Jan. 1864.
 " 5, " 12th May 1870.

27. Subject to these general restrictions, the Governments will henceforth enjoy full liberty in the expenditure of the funds appropriated to "Provincial Services". It must, however, be understood that in thus divesting himself of control, the Governor General in Council divests himself also, to a large extent, of his former responsibility. If responsibility for expenditure is retained, control cannot be renounced.

28. The Governor General in Council delegates to the Local Governments this large additional share of administrative power without hesitation or distrust, believing that it will be exercised with wisdom, liberality, and prudence.

No. 2.

Government of India, Financial Department, No. 1649, dated 20th March 1871.

RESOLUTION.—To enable the Local Governments to inaugurate successfully the scheme set forth in the Resolution No. 3334 of December last, the Governor General in Council has determined to make a special allotment of funds to begin with, in addition to the regular allotment that will be made year by year for the next and subsequent years. The regular annual allotments have been made on the basis of the Budget grant for 1870-71. But as savings have been effected in the current year on these grants, aggregating perhaps £200,000 (though the precise amount cannot be stated with certainty), His Excellency in Council is pleased to allow a special allotment of that amount from the resources of this year, and to distribute it rateably among the Local Governments in the following proportions:—

				£.
Oudh	...	...	...	9,399
Central Provinces	...	...	...	11,994
British Burmah	...	...	...	...
Bengal	...	...	...	53,287
North-Western Provinces	...	...	...	28,246
Panjab	...	...	...	23,521
Madras	...	...	...	33,467
Bombay	..	...	...	40,086
				<hr/> 200,000

No. 3.

Government of India, Financial Department, No. 1659, dated 20th March 1871.

Consequent on the transfer to "Provincial Services" of the expenditure appertaining to Police, Education, Jails, Civil Buildings, &c., the Governor General in Council considers it proper to transfer likewise to those services, on the basis of the Financial Resolution, No. 3334, dated 14th December 1870, the charge for petty construction and repair of buildings in the Civil Department, excepting the Opium Department, Bengal, and the Salt Department outside the Lower Provinces of Bengal.

2. This necessitates the following additions to the allotment for Provincial Services for 1870-71 :—

	Land Revenue.	Customs.	Minor Departments.	Law and Justice.	Political Agencies.	Total.
	£	£	£	£	£	£
Bombay	2,000	350	200	700	800	4,050

3. His Excellency in Council is also pleased to transfer to the same head of service all Medical Services, other than the consolidated pay of Medical Officers;—that is to say, the substantive salary of a Medical Officer, Covenanted, Uncovenanted, or Warrant, in medical charge of a civil station on any of the consolidated salaries authorized in Financial Notifications dated 25th April, 1867, Nos. 2294 and 2295, together with the extra allowance to a Regimental Medical Officer for the additional medical charge of a civil station, will be retained in the Imperial grant for Medical Services, while all travelling allowances and the following charges will be paid from the grant for Provincial Services, viz. :—

Salaries of Medical Officers of Medical Colleges and Central Jails, and of Lunatic Asylums at the Presidency Towns.

Extra allowances to Medical Officers for the medical charge of Lunatic Asylums in the Mofussil, and of Colleges, Central Jails, &c.; also extra allowances for the executive charge of Jails.

Charges for Sub-Assistant Surgeons and Apothecaries employed in other than the civil medical charge of the Sadar stations of districts, and for all other subordinate Medical Establishments.

4. On this account the following sums have been added to the allotment for Provincial Services; and the corresponding items, so far as they are included in the Imperial estimates for 1871-72, have been struck out from the grant for Medical Services for that year, viz. :—

	Bombay.
Native Medical Establishments, including Native Doctors, Compounders, Dressers and other Hospital servants ...	6,600
Bazar medicines, house-rent, cost of opium and Europe medicines, miscellaneous items, and purchase of service stamps	1,700
Travelling allowances	200

5. Discrepancies between the Budget Estimate for official postage and the larger amounts which have been charged in the course of the year have arisen from the imposition, for the first time (since the Budget Estimates for 1870-71 were framed), of a charge for official correspondence within districts, and partly from a misunderstanding of the rules under which despatches are allowed to be sent by packet post. This misunderstanding, which has now been rectified, raised the charges in 1870-71 abnormally, so that they cannot properly be taken as a basis for the permanent assignment. The permanent allowance to Provincial Services for postage is fixed, therefore, in accordance with the estimates of the Post Office Department for 1871-72. The difference between the estimate for 1870-71 which is already included in the assignment of 14th December 1870 for Provincial Services and the estimate for 1871-72, is accordingly added to that assignment as follows :—

Bombay.	Budget.			
	1870-71.	1871-72.	Increase.	Decrease.
Registration	632	130	.....	502
Jails... ..	612	406	.....	206
Police	4,663	7,524	2,861	.....
Education	697	900	203	.....
Medical	142	617	475	.....
Printing	880	2,360	1,480	.....
Total	7,626	11,937	5,019	708
Net addition ... ..	.....	.....	4,311	.....

No. 4.

Government of India, Financial Department, No. 1660, dated 21st March 1871.

RESOLUTION.—The allotments for Provincial Services, as revised in the orders read in this Resolution, are set forth in the following table:—

	Bombay.
	£.
Budget grant for the Civil Department per Resolution of 14th December 1870	707,693
<i>Add—</i>	
Official Postage	4,311
Transfer from Medical Services	8,500
Transfer of petty construction and repairs of Civil Buildings	4,050
Other items, net	4,600
Total	729,154
<i>Deduct—</i>	
Receipts per Budget of 1870-71	55,285
Net charge in the Civil Department	673,869
<i>Add</i> Budget grant for Public Works per Resolution of 14th December 1870, viz. :—	
Roads and Miscellaneous Public Improvements	121,900
Civil Buildings	107,500
Proportion of Public Works Establishments	59,644
Proportion of Tools and Plant	4,588
Total Public Works	293,632
Grand Total	967,501
<i>Deduct—</i>	
Proportion of £350,000	66,351
Revised permanent assignment	901,150
Or in round numbers	901,200

No. 5.

Comptroller General's No. 394, dated 17th July 1871, to the Accountant General, Bombay.

With reference to your letter No. ⁹/₂₈₃ dated 5th May last, I have the honor to state that it is not necessary to adjust in your accounts for March 1871, the receipts on account of interest on the donations of Sir Jamsetjee Jejeebhoy to the Native Hospital and Obstetric Institution at your Presidency for the years 1867-68 to 1869-70. As such adjustment would affect Service heads of Receipt and Charge in 1870-71, it is not desirable that the omissions of previous years should be supplied in that year. Nor indeed would any change be advisable for future years, were it not for the transfer of these institutions to Provincial Services.

2. Similarly no additional grant for interest for the year 1871-72 seems necessary. The assignments for the Provincial Services for that year as per Appendix A of Financial Resolution No. 3334, dated 14th December 1870, were made on the whole charge of the institution irrespective of the receipts from interest which need not now be brought in, to the disturbance of the grants already sanctioned in that statement. For the next and future years it will be necessary for you with the sanction of Government to provide in the Imperial Budget for the debit under interest of the entire amount of Rs. 12,537 due on this account, reducing by a like amount the estimate under allotments for Provincial Services.

APPENDIX A.—1.

No. 4 A.

Government of India, Financial Department, No. 4448, dated 19th October 1871.

The Governor General in Council observes that, in determining the allotment to be granted from Imperial Funds for the Provincial Services, the receipts from the several civil heads of service concerned were deducted from the gross amounts to be allowed and the balance was transferred to the Provincial Governments and Administrations, the receipts being given over to the Provinces in which they accrued. But in the case of the Provincial

Public Works Grant, the gross amount of that grant was given so that the Provincial Public Works receipts have to be credited to Imperial Revenues.

2. As this is not desirable, the Governor General in Council is pleased to resolve that those receipts shall be transferred to Provincial Services by a corresponding reduction of the Public Works Grant to those services, the basis of the reduction being the actual figures of 1870-71, and not, as proposed by the Public Works Department, the estimates of 1871-72.

3. This order does not apply to the receipts from the Bombay Special Fund Works, which should not be credited to Provincial Funds.

Government Resolution, Public Works Department, No. 21 A-155, dated 22nd January 1872.

His Excellency in Council accepts the proposition of the Government of India to deduct, from the original grant for Provincial Services, the sum of Rs. 60,000 on account of Public Works Provincial Receipts, and has instructed the Accountant General, Bombay, accordingly.

In the Provincial Service Budget the credit will be under Miscellaneous for the amount received as interest on the debt.

No. 6.

Government of India, Financial Department, No. 2959, dated 11th December 1871.

The Governor General in Council is pleased to sanction the transfer to "Provincial Services" of the Publication Department, attached to the Collectorate of Bombay, and for a credit to those services of Rs. 650 for that purpose in the assignment for the ensuing year 1872-73.

No. 7.

Government of India, Financial Department, No. 216, dated 10th January 1872.

The lump sum allowances granted to the Advocate General and the Remembrancer of Legal Affairs are in the shape of contract allowances for establishment, and therefore no portion of them should be transferred to Provincial Services as house rent allowance.

The Stamp and Stationery Office, Bombay, is not in Schedule B. appended to Financial Resolution No. 3334, dated 14th December 1870. The charge for the rent of the office should therefore be transferred to Provincial Services, as also for the same reason the charge for your office.

The Government of India concurs in the decision of the Government of Bombay, that insurance, municipal rates and taxes, and other charges connected with the private buildings occupied as offices, should be included with the rents, the charges for which are to be transferred to Provincial Services.

The municipal rates and taxes referred to may be transferred to Provincial Services.

No. 8.

Government of India, Financial Department, No. 2045, dated 18th March 1872.

The Governor General in Council is pleased to sanction the addition of £400 to the assignment for Provincial Services on account of cemeteries in Bombay.

No. 9.

Government of India, Financial Department, No. 2146, dated 23rd March 1872.

The Governor General in Council is pleased to sanction the addition of Rs. 2,38,000 to the Provincial Assignment, Bombay, on account of office rent.

No. 10.

Government of India, Financial Department, No. 2295, dated 27th March 1872.

The Governor General in Council observes that the cost of maintaining and repairing Government House furniture is a *Provincial* charge, and, as such, should be met out of the grant for Provincial Services. But as the expenditure on the furniture was not taken into calculation in fixing the grant transferred to Provincial Services, the Governor General in Council is pleased to sanction the addition of £500 for this purpose to each of the Provincial grants of Madras and Bombay.

No. 11.

Government of India, Financial Department, No. 2378, dated 30th March 1872.

The Governor General in Council sanctions the transfer to Provincial Services of the following sum—on account of local Museum, viz. :—

Bombay £ 700

No. 12.

Government of India, Financial Department, No. 2086, dated 30th March 1872.

Travelling allowance to officers for attending examinations.
Rewards for proficiency in the Oriental languages, &c.
Remittance of treasure.
Loss by exchange.

Discount on supply bills.
Freight of stores.
Elephant khedah operations.
Victualling forts.
Famine charges.
European vagrants.

The items noted on the margin shall continue under the head "Miscellaneous" in the Imperial Estimates and Accounts.

The charges noted on the margin shall continue as Imperial charges, but as items of the grant for "Minor Departments." The provision for 1872-73 is detailed in Section B. of the attached memorandum.

Census charges.
Donations to Agricultural and Scientific Societies.
Public exhibitions and fairs.
Gazetteers and statistics.

Exploration of coal, &c.
Bulls and stallions.
Preservation of antiquities.
Translation of Granth.

on the margin, which are detailed in Section D. of the memorandum, constitute the whole of the remaining expenditure under the grant Miscellaneous which has been provided for in the local Budget Estimates. The Governor General in Council is pleased to direct that those items shall be transferred to Provincial Services, a corresponding addition being made to the allotment for those services.

Allowance to Civil Servants out of employ.
Charitable donations.
Destruction of wild animals.
Books and publications.

Conservancy and Municipalities.
Miscellaneous and unforeseen charges.
Assessment and rates on Government Buildings.

Under these orders the whole of the expenditure hitherto charged under the grant Miscellaneous (excepting that for Military Asylums in the Madras Presidency and the items retained under other heads in paragraphs 2 to 4 of this Resolution) and all normal and inconsiderable miscellaneous charges will be met for the future from the allotment for Provincial Services. Should, however, any unusual and considerable miscellaneous expenditure become necessary anywhere, the Imperial Government will, on the application of the Local Government, bear it.

The sums allotted to Provincial Services for "Miscellaneous and unforeseen charges" differ from the amounts which have been demanded in the local estimates. The aggregate of the provision settled for this heading for 1872-73 in the Financial Department, which is very little less than the aggregate demand, has been re-distributed to Presidencies and Provinces rateably to—

1st.—The total civil expenditure of each Presidency and Province in 1870-71 ;

2nd.—The civil expenditure, exclusive of charges of collection of Revenue ;

3rd.—The civil expenditure as in 2, plus charges under Land Revenue ;

4th.—The receipts under Revenue heads, exclusive of Customs and Opium.

The average of the four results has been fixed as a fairer allotment to each Local Government than the sum which happens to have been demanded for "Miscellaneous and unforeseen charges" in 1872-73.

No. 13.

Government of India, Financial Department, No. 558, dated 22nd June 1872.

The Governor General in Council is pleased to sanction a total assignment of £944,000 on account of Provincial Services in Bombay for 1872-73.

No. 14.

Government of India, Financial Department, No. 2038, dated 16th August 1872.

The Governor General in Council is pleased to authorize the transfer of the charges connected with all the civil jails in the Bombay Presidency from Imperial to Provincial Revenues, and to sanction for this purpose an addition of Rs. 2,448 or £245 to the assignment of Provincial Services in that Presidency.

No. 15.

Government of India, Financial Department, No. 2034, dated 22nd August 1872.

The Governor General in Council is pleased to sanction the re-transfer of the charge of Rs. 1,960 on account of allowances of peons in charge of district bungalows of the Collectors' Department from the Provincial to the Imperial grant for the Bombay Presidency.

No. 16.

Government of India, Financial Department, No. 2297, dated 26th August 1872.

The Governor General in Council is pleased to sanction an additional grant of Rs. 600 to the Provincial Service assignment of the Bombay Presidency on account of an allowance of Rs. 50 per mensem drawn by the Assistant Registrar of the Bombay High Court, Appellate Side, for superintending the High Court Printing Press.

No. 17.

Government of India, Financial Department, No. 2405, dated 31st August 1872.

Read again Financial Resolution No. 2954, dated 25th April 1872, deciding that "rewards for the apprehension of proclaimed offenders" shall be charged to the Provincial Revenues, and that the provision made for that purpose in the Imperial estimates, under Law and Justice, shall be transferred to the Provincial grant.

Read a letter from the Accountant General, Bombay, No. 353, dated 13th July 1872, reporting that a provision of Rs. 1,750 was made in the Imperial Estimates of 1872-73 under "Miscellaneous Charges" of "Criminal Courts" subordinate to "Law and Justice", and soliciting that the same amount may be transferred as an additional allotment to Provincial Services in the Bombay Presidency for 1872-73.

RESOLUTION.—Sanctioned.

No. 18.

Government of India, Financial Department, No. 3193, dated 30th September 1872.

The Governor General in Council is pleased to sanction an addition of Rs. 4,864 to

		Rs. per mensem.	
<i>Hyderabad.</i>			the assignment for "Provin-
1 Haváldár ... ..	...	...	} 95
1 Náik ... ..	...	...
9 Peons ... ..	...	...
<i>Upper Sind Frontier.</i>			standing that the additions
2 Peons at Rs. 8 .. ..	...	16	111
<i>Poona.</i>			noted in the margin will be
1 Head Constable ... ..	...	20	140
2 Do. do. at Rs. 12 ... ..	...	24	
12 Constables at Rs. 8 ... ..	...	96	
15			
Clothing ... ..	...	5	145
<i>Ahmednagar.</i>			the several districts named ;
1 Head Constable ... ..	...	12	} 36
3 Constables at Rs. 8 ... ..	...	24	
4			and that all responsibility
Clothing ... ..	...	1½	37½
Sholápur as above ... ..	...	...	37½
Sátára do. ... ..	...	...	37½
Kaládgi do. ... ..	...	...	37½
			294½
			405½
			405½

future, rest on the Police.

No. 19.

Government of India, Financial Department, No. 3364, dated 12th October 1872.

In reply to your letter No. 736, dated 18th March 1872, I am directed to state, that as intimated in the 4th paragraph of the letter, the Government of Bombay is aware that the application of 28th September 1871 for permanent additions to the allotment for Provincial Services of the Bombay Presidency awaited certain information which had been called for

from the Accountant General, Bombay. That furnished in his letter dated 5th March had to be supplemented by other information since given by him in letters dated 21st and 29th June 1872.

2. Your letter of 28th September 1871 and the 3rd paragraph of your letter of 18th March 1872 preferred applications for additional permanent allotments, while the last paragraph of the latter communication conveyed a further request for an addition of Rs. 57,000 to the allotment for 1872-73, or for one year only to finish certain works (police buildings, &c.,) which had remained unexecuted in 1870-71 owing to the limitation of the grants for petty construction and repairs in that year (under the heads of Land Revenue and Police) to amounts less by Rs. 57,000 than had been entered in the Budget Estimate for 1870-71 as proposed by the Government of Bombay.

3. Of the applications for a permanent addition to the Provincial allotment for the Bombay Presidency, more than one-half, or £6,885, was allowed in settling the Budget for 1872-73, and this sum is included in the allotment of £944,000 for 1872-73 which was communicated in Financial Resolution No. 558, dated 22nd June 1872. The remainder of the application will doubtless be withdrawn by the Government of Bombay on considerations which I am directed to point out.

4. I am to explain, first, that in adding £6,885 to the allotment it was intended to allow merely the value of medical stores supplied in 1870-71 by the Military to the Medical Department on the ground of a similar concession (in respect of such supplies of medical stores only) having been made to other Governments. The figure, however, was taken from an abstract of totals of the several details in the letters of the Accountant General and the

	Rs.
* 1 Professor	2,400
Teachers	1,700
Medical pupils	2,988
	7,088

Value of medical stores supplied by Medical Department	61,563
	68,651

Through a clerical error £6,885 was written for £6,865.

5. There was a further omission in not deducting from the revised allotment the amount of interest (£1,254) on the donations of Sir Jamsetjee Jejeebhoy to the Native Hospital and Obstetric Institution in Bombay, in accordance with an order passed in July 1871, on which the Accountant General, Bombay, has properly credited that amount as income of Provincial Services from 1872-73.

6. The Accountant General has reported in his letter dated 29th June 1872 that the items† noted on the margin which had been included in the Local Government's Budget Estimate under Police Receipts were omitted from that officer's revised Budget Estimate. In consequence of these omissions their aggregate amount was not deducted in settling the original allotment to Bombay Presidency for Provincial Services.

	Rs.
Railway Police Receipts†	16,973
Police Receipts from other sources	20,260
	37,240

Exclusive of an under-estimate of Rs. 3,240.

7. Again in the Budget Estimate for 1870-71 the contribution from the Municipality of Bombay towards the expenses of the Lock Hospital, viz., Rs. 26,910, was credited under Miscellaneous Receipts, while the gross expenditure for the hospital was included in the original allotment for Provincial Services. The amount credited under Miscellaneous was accordingly not deducted; but it now appears from the Accountant General's letter dated 29th June 1872 that the allotment should have been reduced by that amount; for, from 1871-72, the contribution by the Municipality was credited by the Accountant General to Provincial Services.

8. Thus the Provincial allotment of the Bombay Presidency has benefited by the omission to deduct the following sums from the allotments for 1871-72 and 1872-73, viz:—

	1871-72.	1872-73.	Total.
	£	£	£
Para. 5 of the letter ... ..	.....	1,254	.....
6 " (Police)	3,724	.....	.....
7 " (Medical)	2,691	.....	.....
Total	6,415	1,254	6769

If to £7,669 be added the sum (£6,885) which has been allowed in part of the application of the Government of Bombay, the total, viz., £14,554, exceeds by £2,085 the amount (£12,469) for which a permanent addition to the allotment was requested.

9. This last mentioned amount may be detailed as follows:—

	Per letter of 28th September 1871.	Letter dated 18th March 1872.	Total.
I.—Omitted in original Budget Estimate for 1870-71	£	£	£
under—			
Police	710	2,200	2,910
Jails	1,236	.....	1,236
Medical	6,865	.....	6,865
Total ...	8,811	2,200	11,011
II.—Additional omissions in revised Budget of the Accountant General—			
Police	1,090	.....	1,090
Jails	368	.. ..	368
Total ...	1,458	.....	1,458
Grand Total ...	10,269	2,200	12,469

only £1,458 are claimed on account of items which the Accountant General omitted in his revised Budget Estimate without the knowledge of the Local Government. The omissions were of a character* which from the small amount of the items would, under the old system, not have called for any addition to the Budget grant; the expenditure would have proceeded (as it actually did proceed) against the general grants for Police and Jails, which were sufficient to meet them.

10. The other omissions, *viz.*, those amounting by £11,011 in the original Budget Estimate as passed by the Local Government, fell under the general rule which guided the original allotment for Provincial Services, *viz.*, that the allotment was to be based on the estimate for 1870-71 which, as passed by the Government of India, was to be accepted with all its errors and defects, whether these might tell for or against the Local Government. The errors amounting to £7,669 in favour of the Local Government, *viz.*, the omission to estimate for, and consequently to deduct, certain receipts under the heads of Provincial Services, have not been corrected adversely to the Government of Bombay. On the other hand, of the omissions amounting to £11,011† against the Local Government, £6,865 have been allowed in its favour, as explained in para. 4 of this letter.

11. The item of £1,236 on account of the salary of the Surgeon of the Yerrauda Jail was correctly omitted in the Budget Estimate under Jails, and was wrongly charged in the actuals to the Jail grant. Under the decisions quoted in the margin, that salary for the period that the medical officer was solely in executive charge of the jail, was properly debitable to the Public Works allotment, or to the Convict Labour Fund of the Bombay Presidency, as an extra expense of constructing the jail. Afterwards, when the medical officer of the Yerrauda Jail became the Civil Surgeon of Poona and held the Yerrauda Jail as an extra charge, his substantive pay was debitable to the Imperial portion of the medical grant. This latter arrangement now obtains, and under either arrangement the Jail grant was not chargeable with the medical officer's pay.

12. The omission in the Local Government's Budget Estimate of £2,910‡ would not, under the old system, have necessitated an additional grant. The expenditure would have proceeded against the ordinary grant, and a comparison of the actual with the estimate for 1870-71 shows that the gross and net Police grants alike were more than sufficient to meet it, a large surplus having accrued after charging the omitted items to the Police grant. The result is even more favourable than the marginal figures indicate, for the actual expenditure of £365,884 in 1870-71 is inclusive of £43,183 for "grants in lands and villages to Mewásis, Bhils, &c., employed on Police duty" against a Budget grant for that year of only £36,000. Should the further report of the Government of Bombay on the correspondence ending with my letter dated 15th February 1871, result in the exclusion of their item from the accounts, in accordance with the opinion expressed by the Government of Bombay in letter No. 5262, dated 31st

	Gross Charge.	Receipts.	Net Grant.
	£.	£.	£.
Allotment ...	391,569	14,000	377,569
Actual ...	383,395	17,511	365,884
Saving ...	8,174	3,511	11,685

October 1870, and with the views conveyed in my letter No. 957, dated 15th February 1871, the Bombay Provincial allotment would be reduced by £36,000 only and not by £43,183 of actual charge. Substantially the saving of £11,685 in the expenditure, compared with the allotment for Police for 1870-71, can, at the option of the Government of Bombay, be converted into a surplus of £18,868.

13. Alike, therefore, under the general rule mentioned in paragraph 10 of this letter, and with reference to the ample surplus of £18,868 in the permanent allotment for Police, which accrued after meeting the expenditure for the omitted items of £11,011 under Police, an addition to the Police grant was not required.

14. In short, the omitted items, one and all, did not call under rule for any addition to the grant for Provincial Services, except an addition for medical stores, in accordance with certain precedents. The application under the Medical grant was allowed in full, while the claim for the others under the Police and Jail grants will doubtless be dropped under the preceding explanation, and with reference to the saving which has accrued after meeting the charge for the omitted items.

	Police. £.	Jails. £.
Allotment—		
Charge	391,569	73,234
Receipts... ..	14,000	664
Net	377,569	72,570
Actual—		
Charge	383,395	73,849
Receipts... ..	17,511	8,755
Net	365,884	65,094
Saving	11,685	7,476
Add—		
Paragraphs 11 and 12	7,183	1,236
	18,868	8,712
Deduct—		
Casual recoveries under Jails of arrear charges for convicts in Straits Settlements which will not recur (say)... ..	...	3,600
	18,868	5,112
Total—		
Surplus after providing for omitted items...	...	23,980

The actual expenditure amounted to £103,874 against an allotment to Provincial Services of £88,427. All that the Government of Bombay asked for, in addition to the allotment, was £6,865, but not only was this application allowed in full, but two other items of £1,254 and £2,691 (paragraphs 5 and 7 of this letter) which could have been deducted from the assignment have not been taken from it, whereby the aggregate allotment for medical services has been raised to £99,257 against an actual expenditure in 1870-71 of £103,784. The excess of outlay, viz. £4,527, has been nearly met by the subsequent abolition of the expense for Lock Hospitals which chiefly caused the excess, while the accompanying statement of contingent expenses under the Bombay medical grant shows the possibility from the fall in prices and by other economies of reducing the expenditure (more especially

for supplies from the Military Department) to an amount approximating closer to that in 1868-69. It is observed from the estimate for 1872-73 that a saving has been effected in the Vaccination Department and in that of the Sanitary Commissioner, and in expenses of diet and clothing. Accordingly, the saving under Police and Jails will accrue in full to Provincial Services, without any drawback on account of Medical charges.

<i>Petty construction and repairs.</i>		Land Rev.	Police.
		£.	£.
Budget grants—			
1869-70	4,300	3,472	
1870-71 as entered in Local Govern- ments' estimates	7,358	5,556	
Do. as entered in the revised Budget of Accountant General...	2,000	1,600	
Special grant asked for 1872-73 ...	2,500	3,200	
	5,700		

<i>Actual Expenditure.</i>		Land Rev.	Police.
		£.	£.
1867-68	1,047	612	
1868-69	2,919	1,157	
1869-70	3,005	1,833	
1870-71	2,476	1,972	

the strength of the details given in the margin. I am to point out, however, that an obligation to allow whatever amount might be proposed for this expenditure by the Local Government in its Budget has never been admitted; that, on the contrary, the growth of this charge in the Civil Accounts, since 1865-66-67, had attracted the attention of the Government of India, and the necessity of restraining it had been recognised. The large sums entered by the Local Government in its Budget Estimate for 1870-71, for petty construction and repairs under Land Revenue and Police, were so much in excess of previous year's actuals, that they would not have been allowed even had the Accountant General not reduced the items in his revised Budget Estimate. The actual expenditure, too, in 1870-71, despite the Accountant General's reduction, was not stinted: it was a great deal more than in 1867-68, nearly £400 greater than in 1868-69 and only £400 less than in 1869-70, and this last deficiency was made good by an excess expenditure in the Public Works Department on account of police buildings. The expenditure, then, not having been stinted, a large saving having accrued to Provincial Services from the grant for Police, and the allotment to Provincial Services for public works having

<i>Public Works Accounts.</i>		1869-70.	1870-71.
		Rs.	Rs.
Police Buildings—			
Major Works	34,083	54,956	
Minor do.	6,906	4,832	
Repairs	13,645	17,518	
Total	54,634	77,306	

been relatively larger than that allowed to some other Governments, the Government of Bombay will doubtless perceive on reconsideration that no special assignment from Imperial funds is required to make good a supposed insufficiency of expenditure in 1870-71 for petty construction and repairs.

17. Had the Provincial allotment for 1871-72 not benefited by the omission to deduct from it the receipts amounting to £6,415 which are set forth in paragraph 8 of this letter, it would have been necessary to allow £6,156 for 1871-72 on account of the value of medical stores supplied by the Military Department. But Provincial Services having gained more than this sum from the omissions, the account for 1871-72 is already adjusted without the necessity of making any further grant.

No. 20.

Government of India, Financial Department, No. 3576, dated 16th October 1872.

The Governor General in Council is pleased to sanction an addition of £67 to the assignment for Provincial Services in Bombay on account of the Civil Jails at Sholapur, Belgaum and Dhárwár.

No. 21.

Government of India, Financial Department, No. 3773, dated 24th October 1872.

The President in Council is pleased to sanction, as a special case, the addition of £55,000 to the Provincial assignment of Bombay for 1872-73 in order to provide for salt buildings in the Bombay Presidency.

No. 22.

Government of India, Financial Department, No. 3693, dated 26th October 1872.

The Governor General in Council is pleased to sanction the transfer from Provincial

Travelling allowance for searching manuscripts ...	Rs. 1,000	to Imperial Services of £320 on account of the purchase and collection of ancient Sanskrit manuscripts.
Copying or transcribing manuscripts	1,200	
Buying manuscripts	1,000	
Total	3,200	

No. 23.

Government of India, Financial Department, No. 3834, dated 30th October 1872.

Letter from the Government of Bombay No. ^{2905A}/_{110F}, dated the 24th September 1872, and its enclosure, pointing out that in the above Resolution a portion of the charges on account of European vagrants has been retained as Imperial and a portion transferred to Provincial Services, and soliciting, with a view to bring together all such charges under one head, that the sum of Rs. 3,000 may be re-transferred from the Provincial to the Imperial grant.

RESOLUTION.—The President in Council is pleased to sanction the application from the Government of Bombay.

No. 24.

Government of India, Financial Department, No. 4022, dated 2nd November 1872.

The Imperial assignment for the furniture of the Government House at Bombay during 1872-73 should of course be reduced by the sum of Rs. 5,000 made over for this purpose to the Provincial funds.

No. 25.

Government of India, Financial Department, No. 4050, dated 15th November 1872.

RESOLUTION.—As the grants made by the Government for the maintenance of District Post Establishments in the several Provinces have, until recently, been of the nature of grants for specific establishments, and as in all cases, except that of Bombay, these grants have been virtually supplemental to the local cess income, the Honourable the President in Council is pleased, in modification of the orders of 30th March 1872, to resolve that the District Dák charges named in the margin shall be treated as Provincial Services, and to sanction accordingly the addition of amount entered in the margin, with the remark that such addition is made for the purpose of supplementing the local cess income, and will be continued only so long as such supplement may be really necessary.

Bombay... .. £8,940

No. 26.

Government of India, Financial Department, No. 4547, dated 18th December 1872.

The Governor General in Council is pleased to sanction an addition of Rs. 848 to the assignment for "Provincial Services" for the maintenance of a police force for the purpose of protecting the *Abkari* Revenues at Belgaum.

No. 27.

Government of India, Financial Department, No. 181, dated 9th January 1873.

The Governor General in Council has sanctioned the grant, from Imperial funds, of Rs. 4,32,000 for the construction of the Bombay Court of Small Causes.

No. 28.

Government of India, Financial Department, No. 4057, dated 26th November 1873.

The Governor General in Council is pleased to sanction, with effect from 1872-73, the addition of Rs. 17,000 to the Bombay Provincial Service assignment on account of the Lahej Garden at Aden.

No. 29.

Government of India, Financial Department, No. 1647, dated March 1873.

A sum of Rs. 900 has been added to the Bombay Provincial assignment from 1873-74 on account of petty construction and repairs of salt buildings in that Presidency.

No. 30.

Government of India, Financial Department, No. 1131, dated 23rd June 1873.

The Governor General in Council is pleased to sanction the addition of Rs. 2,220 to the Provincial assignment on account of rent of Forest Officers in the Bombay Presidency.

No. 31.

Government of India, Financial Department, No. 1165, dated 23rd June 1873.

The Governor General in Council does not consider that the cost of the European General Hospital at Aden should be treated as a Political charge. His Excellency in Council is therefore pleased to decide that this hospital shall henceforth be a Provincial charge, to meet the cost of which an addition of Rs. 5,000 has been made to the Provincial assignment.

No. 32.

Government of India, Financial Department, No. 2280, dated 16th August 1873.

In February 1872, the sum of Rs. 2,50,000 was assigned to the Government of Bengal for the erection of a Small Cause Court in Calcutta. The rent then being paid for the building hired for the Calcutta Small Cause Court was Rs. 14,400 a year. A valuable building site was given without charge to Provincial funds, and this, with the assigned sum of Rs. 2,50,000, was held to be a liberal equivalent of the capital value of the annual rent charge.

The Government of Bombay was not, at that time, willing to accept a like assignment. But, in January 1873, an assignment of Rs. 4,32,000 was made, at the request of the Government of Bombay, for the erection of a Small Cause Court in Bombay. This sum of Rs. 4,32,000 was twenty times the supposed annual rent (Rs. 21,600), which sum was accordingly deducted from the annual assignment for Provincial Services in the Bombay Presidency. The rent, it appears, has since been reduced, and is now only Rs. 14,028 a year. The rent of both Courts was paid by the Imperial Government to the end of 1872-73.

The Government of Bombay now remonstrates against the transfer of the charge for the rent of the Bombay Small Cause Court to Provincial funds, until the new Small Cause Court building, for the erection of which the sum of Rs. 4,32,000 has been assigned, is complete. In making this remonstrance the Government of Bombay refers again to a claim asserted, under section 19 of Act IX. of 1850, to the entire surplus receipts of the Small Cause Court at Bombay since its first constitution.

The Governor General in Council observes that this claim has been disposed of after full consideration, and His Excellency is not prepared to re-open the question. At the same time he is willing to give the Governments of Bombay and Bengal liberal assistance pending the completion of the Small Cause Courts buildings of Bombay and Calcutta.

No. 33.

Government of India, Financial Department, No. 3178, dated 23rd September 1873.

The Governor General in Council is pleased to sanction the addition of Rs. 1,000 permanently from 1873-74 and of Rs. 1,889 to meet the past outlay on account of charges for the maintenance of prisoners in the cantonment lock-up at Deesa to the end of 1872-73.

No. 34.

Government of India, Financial Department, No. 3260, dated 25th September 1873.

The Governor General in Council is pleased to sanction the transfer of the proceeds of the sale of old records to Provincial Services, and to reduce the allotment for those services by Rs. 2,763 as recommended by the Government of Bombay, with effect from the beginning of 1873-74.

2. With reference to paragraph 2 of your letter, I am directed to observe that in respect to additions to the assignment made since the introduction of the scheme of Provincial allotments, the Government of India has not yet accepted the principle that the figures are to be based upon the actual figures of the year immediately preceding the addition. That principle might be very proper when applied to a consolidated assignment calculated upon a great number of items; but it would not be necessarily suitable for settling the amount to be permanently allotted for a single service.

No. 35.

Government of India, Financial Department, No. 3575, dated 17th December 1873.

Rs. 480 per annum for the Deesa Cantonment Police is sanctioned as a civil charge, with retrospective effect.

No. 36.

Government of India, Financial Department, No. 3695, dated 17th December 1873.

The Governor General in Council is pleased to sanction the retention of Mr. Xavier as a clerk in the Military Department of the Government of Bombay, and to reduce the Bombay Provincial assignment by Rs. 2,400 per annum, with effect from the beginning of 1873-74.

No. 37.

Government of India, Financial Department, No. 232, dated 13th January 1874.

The Governor General in Council observes that all the Local Governments agree to the transfer of the charges on account of European vagrants from Imperial to Provincial Services on the terms proposed by the Government of India.

The Government of India has already agreed that, if hereafter this charge should develop seriously, the Imperial Government would be prepared to increase the grant if the financial situation should admit of such increase; and unless, therefore, it can be shown that the expenditure on account of European vagrants has seriously increased, no addition can be made to the grant for 1873-74.

His Excellency in Council is accordingly pleased to transfer the charge in question to the Provincial Governments, with the following addition for—

Bombay	Rs. 13,000
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No. 38.

Government of India, Financial Department, No. 369, dated 16th January 1874.

As the annual average charge for ground-rent paid to private persons during the past five years amounts to Rs. 1,476, the Governor General in Council is pleased to authorize the addition of that amount to the Bombay Provincial assignment, with effect from the beginning of 1873-74.

No. 39.

Government of India, Financial Department, No. 372, dated 19th January 1874.

In supersession of the orders conveyed in this Department's letter No. 4057, dated the 25th November 1873, the Governor General in Council is pleased to sanction the transfer to Provincial Services of the entire receipts and charges on account of the Botanical Gardens at Ganesh Khind and Hewrah and the Lahej Garden at Aden, with effect from the beginning of 1873-74. His Excellency in Council is also pleased to authorize for this purpose the addition to the Bombay Provincial assignment of Rs. 13,600 as noted in the margin.

Charges	...	...	Rs. 17,000
Receipts	...	...	3,400
Net Charge...			13,600

No. 40.

Government of India, Financial Department, No. 331, dated 20th January 1874.

The Governor General in Council is pleased to sanction, with effect from the beginning 1873-74, the transfer from Imperial to Provincial Services of the charge (Rs. 64 per

mensem) on account of office establishment in the Marine branch of the office of the Deputy Surgeon-General, Presidency Division, Bombay. The sum of Rs. 768 is accordingly added to the Provincial allotment from 1873-74, inclusive.

No. 41.

Government of India, Financial Department, No. 999, dated 10th February 1874.

The Governor General in Council is pleased to sanction the addition to the Bombay Provincial assignment for the current year only of Rs. 3,000 on account of payment to the Stranger's Friend Society's Home at Bombay.

No. 42.

Government of India, Financial Department, No. 1103, dated 14th February 1874.

The Governor General in Council is pleased to sanction an addition of Rs. 1,00,000 (one lakh of Rupees) to the Provincial assignment, Bombay, for the current year only for the construction of offices and subsidiary buildings in connection with the salt-works in that Presidency.

No. 43.

Government of India, Financial Department, No. 1183, dated 18th February 1874.

The Governor General in Council is pleased to sanction the transfer to Provincial Services of the charges on account of lock-ups and diet money to prisoners under trial in the Bombay Presidency which have hitherto been shown under Law and Justice, and to authorize for this purpose the addition of Rs. 47,168 to the Provincial assignment, with effect from the beginning of 1873-74.

No. 44.

Government of India, Financial Department, No. 1885, dated 24th March 1874.

The Governor General in Council is pleased to sanction the addition to the Bombay Provincial allotment for 1873-74 of Rs. 593, on account of the pay of the Kotval of the Deesa Cantonment Police, from the 6th December 1871 to the 31st March 1873.

No. 45.

Government of India, Financial Department, No. 2724, dated 30th April 1874.

The Governor General in Council sanctions, with effect from the beginning of 1874-75, the transfer of the charges on account of the Aden Jail to Provincial Services, with an assignment of £2,648 as therein asked for.

No. 46.

Government of India, Financial Department, No. 3288, dated 29th May 1874.

Of the four items noted in the margin which compose the total Provincial assignment of Rs. 40,100 on account of Civil Servants out of employ in the Bombay Presidency, the Governor General in Council is pleased to sanction, in accordance with the terms agreed upon, the re-transfer of the first three items to the Imperial estimates and the consequent reduction of the Provincial assignment by Rs. 33,150, with effect from the beginning of 1874-75.

1. The pay of Junior Civil Servants when learning the languages until they become Assistant Collectors.
2. The travelling allowance of the same when proceeding to join their first Collectorate.
3. Their travelling and tentage allowance when in the districts with the Collector.
4. The pay of Civilians not provided with an appointment known in the Bombay Presidency as "Divani allowance."

No. 47.

Government of India, Financial Department, No. 3524, dated 8th June 1874.

The Governor General in Council sanctions the addition of Rs. 2,804 to the Provincial assignment for Bombay, with effect from 1873-74, to provide for the cost of the extra police force entertained for the town of Sholapur, on the understanding that the grant will be reduced as soon as the Municipality is able to provide funds for that purpose.

2. I am to add that the Governor General in Council prefers the system in force throughout the rest of India, under which municipalities pay either the whole or part of the cost of their police.

No. 48.

Government of India, Financial Department, No. 3877, dated 23rd June 1874.

The proposal to create a new appointment of Superintendent of Vaccination for the Western Gujarát Circle on Rs. 600 per mensem has been recommended to the Secretary of State for sanction.

2. I am also to state that the Governor General in Council is pleased to sanction the proposed transfer of the vaccine charges in Káthiáwár from "Political Agencies" to Provincial Services with an assignment of Rs. 7,000, with effect from the beginning of the current year 1874-75.

No. 49.

Government of India, Financial Department, No. 5005, dated 17th August 1874.

As the extra allowance of Rs. 50 per mensem drawn by the Medical Officer at Abu for the medical charge of the Lawrence Asylum and Civil establishments at that station will be adjusted in the Civil Department, under a head which appertains to Provincial Services of the Bombay Presidency, it would, in the opinion of the President in Council, be better to debit the charge to Provincial instead of to Imperial Revenues. But, as no allotment has been made to Bombay on this account, His Honor is pleased to sanction the permanent addition of Rs. 600 to the Bombay Provincial assignment, with effect from the commencement of the charge.

No. 50.

Government of India, Financial Department, No. 5006, dated 17th August 1874.

The President in Council is pleased to sanction, with effect from the beginning of 1874-75, the transfer of the charges connected with the Rájkot Jail to Provincial Services, with an assignment of Rs. 6,182.

No. 51.

Government of India, Financial Department, No. 5041, dated 21st August 1874.

The President in Council is pleased to sanction the addition to the allotment made to

Increased pay to the Superintendent and Deputy Superintendent of the House of Correction for charge of the work-house	Rs. 900
Pay of two Warders, at Rs. 100 each per mensem	2,400
Rations, &c., supplied by the Commissariat Department	4,017
Total	7,317
Charges in 1871-72	4,017
Do. 1872-73	7,317
Total	11,334

Bombay for European vagrancy charges of Rs. 7,317 permanently, with effect from the beginning of 1873-74, on account of the charges noted in the margin. His Honor in Council is also pleased to sanction a special grant of Rs. 11,334 for the year 1873-74 to cover similar

charges incurred in 1871-72 and 1872-73.

No. 52.

Government of India, Financial Department, No. 5216, dated 27th August 1874.

Mint	Rs. 20
Secretariat	40
Town Hall	10
Paper Currency	4
Thomas' Cathedral	7
High Court, Original Side	4
Do. Appellate Side	7
Total	92 per mensem,
or per annum	1,104

The Honourable the President in Council sanctions an allotment of Rs. 1,104 to the Provincial Services of Bombay, with effect from the commencement of the current official year, to meet the monthly Municipal charges on account of the conservancy of the Departments noted in the margin.

No. 53.

Government of India, Financial Department, No. 5226, dated 27th August 1874.

The Honourable the President in Council is pleased to sanction the transfer to Provincial Services of the charges incurred by the Senior Magistrate of Police, Bombay, on account of lock-ups and diet money to prisoners under trial, which have hitherto been shown under the heads "Justice of the Peace and Petty Sessions Court," and to authorize for this purpose the addition of Rs. 3,800 to the Bombay Provincial assignment, with effect from the beginning of 1874-75.

No. 54.

Government of India, Financial Department, No. 5799, dated 25th September 1874.

The Governor General in Council is pleased to sanction a special addition of Rs. 1,084 to the Bombay Provincial Service allotment for the year 1874-75 to meet the arrear charges, from 11th May 1872 to 28th February 1874, on account of the special allowance of the Medical Officer at Mount Abu, which has been transferred to Provincial Services.

No. 55.

Government of India, Financial Department, No. 6508, dated 11th November 1874.

The Governor General in Council is pleased to sanction a further addition of Rs. 108 to the Provincial allotment, Bombay, on account of the conservancy of Her Majesty's Custom House, with effect from the beginning of 1874-75.

No. 56.

Government of India, Financial Department, No. 6601, dated 14th November 1874.

The Governor General in Council is pleased to sanction an addition of Rs. 1,48,276 to the Bombay Provincial Service allotment for the year 1873-74 on account of the loss sustained by the Local Government in consequence of the abolition of the one-anna cess on the Excise Revenue in that Presidency.

No. 57.

Government of India, Financial Department, No. 199, dated 14th January 1875.

The Governor General in Council is pleased to sanction the addition of Rs. 447 on account of Shewan Dispensary to the Bombay Provincial Service assignment, with effect from the beginning of the current year.

No. 58.

Government of India, Financial Department, No. 605, dated 26th January 1875.

The Governor General in Council is pleased to sanction the special establishment costing Rs. 900 per annum for checking the illicit manufacture of liquor in the district of Násik being borne on the police rolls of that district, and to increase the Provincial allotment by Rs. 900 accordingly.

No. 59.

Government of India, Financial Department, No. 553, dated 30th January 1875.

The Governor General in Council sanctions the addition of Rs. 300 to the Bombay Provincial Service allotment on account of the hospital establishment of the Rájkot Jail, with effect from the beginning of 1874-75.

No. 60.

Government of India, Financial Department, No. 696, dated 30th January 1875.

The Governor General in Council is pleased to sanction the reduction of Rs. 728 in the amount (Rs. 1,48,276) added to the Bombay Provincial Service allotment for 1873-74 on account of the loss sustained by the Local Government in consequence of the abolition of the one-anna cess on the Excise Revenue in that Presidency.

No. 61.

Government of India, Financial Department, No. 1147, dated 19th February 1875.

The Governor General in Council is pleased to sanction a special grant of Rs. 14,000 for 1875-76 for charges connected with the petty construction and repairs of salt buildings in Bombay.

2. The grant has been added to the allotment for Provincial Services of the Bombay Presidency for 1874-75.

No. 62.

Government of India, Financial Department, No. 2058, dated 6th April 1875.

The Governor General in Council is pleased to sanction, with effect from the beginning of 1874-75, the addition of Rs. 652 to the Bombay Provincial Service allotment on account of the maintenance of persons imprisoned by Government in a civil jail.

No. 63.

Government of India, Financial Department, No. 4011, dated 14th October 1875.

The Governor General in Council is pleased to sanction, with effect from the beginning of 1875-76, an addition of Rs. 4,500 (four thousand and five hundred) per annum to the Bombay Provincial assignment, on the understanding that all charges for printing work executed for the Public Works and Railway Departments of the Bombay Secretariat will, from the beginning of 1875-76, be met from Provincial Funds; and that no portion of such charges will, in future, be debited to the Imperial Public Works Grant.

No. 64.

Government of India, Financial Department, No. 4357, dated 30th October 1875.

Read—

A letter from the Chief Commissioner, British Burmah, No. 1539, dated 9th January 1875, to the Government of India in the Department of Revenue, Agriculture and Commerce, reporting the result of the agricultural shows held in 1874 at the head-quarters of districts in British Burmah, and asking sanction for an expenditure of Rs. 6,300 on such objects in 1875-76.

RESOLUTION.—The sum of Rs. 6,300 granted to British Burmah for 1875-76 may be expended as desired by the Chief Commissioner, but the Honourable the President in Council observes that, as a rule, no demands should be made upon the Imperial revenues on account of exhibitions and fairs, which are local institutions, and should either be self-supporting (as in point of fact they are throughout the whole of Upper India), or their cost should be met from local funds.

2. His Honor in Council is accordingly pleased to resolve that, in future, all expenses on this account shall be met by the Local Governments, but in reference to the aid that has heretofore been given more or less at different times, and to the nature of these institutions in some of the Provinces, His Honor in Council sanctions the following addition to the Provincial assignment for Bombay, with effect from the beginning of 1876-77—Rs. 3,000.

No. 65.

Government of India, Financial Department, No. 2450, dated 22nd November 1875.

All the Local Governments and Administrations, except the Government of Bengal, having agreed to the proposed re-transfer of Public Works charges connected with the Salt Department from Provincial to Imperial, and no particular reason having been assigned by the Government of Bengal for retaining the charge as Provincial, the Honourable the President in Council is pleased to sanction the proposed re-transfer, with effect from

Amount included in the Public Works allotment.	Amount included in the allotment for Petty Construction and Repairs.	Total	
Rs.	Rs.	Rs.	
Bombay ... 7,999	+	2,000	=
		16,999	

the beginning of 1875-76, and to direct that the amounts noted in the margin, which were allotted to Bengal and Bombay for the charges in question, be deducted from the assignments made for Provincial Services under these Governments.

No. 66.

Government Resolution, Financial Department, No. 92, dated 7th January 1876.

Resolution of the Government of India, Financial Department, No. 2450, dated 22nd November 1875—Sanctioning, in reply to this Government letter No. 2251, dated 21st July 1874, the proposed re-transfer of Public Works charges connected with the Salt Department

Amount included in the Public Works allotment.		Amount included in the allotment for Petty Construction and Repairs.		Total.	
Rs.		Rs.		Rs.	
Bombay. 7,999	+	9,000	=	16,999	

ment from Provincial to Imperial, with effect from the beginning of 1875-76; and directing that the amounts noted in the margin, which were allotted to Bombay for the charges in question, be deducted from the assignments made for Provincial Services.

In accordance with the orders of the Government of India, the Provincial allotment of this Presidency should permanently be reduced by Rs. 16,999, which should be transferred to the Imperial Services. For the current year, however, a further sum of Rs. 14,000 should be transferred from the Provincial funds, that being the sum specially granted by the Government of India for the current year, by their letter No. 1147, dated 19th February last. The total sum that is thus to be transferred from the Provincial to the Imperial Services in the current year is Rs. 30,999.

2. The expenditure, on the other hand, that is provided for in the current year on account of the ordinary works connected with the Salt Department, is Rs. 38,643, as shown in the margin, or more than the amount (Rs. 30,999) to be transferred to the Government of India by Rs. 7,644. Seeing, however, that several of the large works have not yet been taken in hand, it is presumed that the actual expenditure in the current year, which under the new arrangement will have to be debited to the Imperial Services, will not exceed the amount that is to be transferred to the Government of India.

(I.)—Provision in the Civil Budget	Rs. 35,766	
(II.)—Provision in the Public Works Budget		
amount given by the Public Works Department	1,877	
Outlay by the Executive Engineers, the exact amount of which is not at present known to the Public Works Department, but which may be set down at about	1,000	
Total	Rs. 38,643	

No. 67.

Government of India, Financial Department, No. 381, dated 22nd January 1876.

The Governor General in Council is pleased to allow the additional grant of Rs. 4,500 per annum, made to the Bombay Provincial Revenues for printing charges of the Public Works and Railway Departments of the Bombay Secretariat to take effect from July 1872, instead of from the beginning of 1875-76 as previously ordered.

No. 68.

Government of India, Financial Department, No. 912, dated 16th February 1876.

Experience has shown that the provision and maintenance of light-houses cannot conveniently be treated as a Provincial Service. His Excellency in Council accordingly directs, in supersession of all previous orders, that all receipts and charges of light-houses and light-ships which have been made Provincial, be re-transferred to the Imperial estimates and accounts with effect from the beginning of 1875-76, and that the Provincial allotments be reduced, in consequence of this re-transfer, to the extent noted in the margin.

No. 69.

Government of India, Financial Department, No. 979, dated 26th February 1876.

The Governor General in Council is pleased to sanction the addition of Rs. 4,644 to the Bombay Provincial allotment, with effect from the date on which the duty of guarding civil jails was transferred from Imperial to Provincial Services.

No. 70.

Government of India, Financial Department, No. 1684, dated 22nd March 1876.

It having been decided that the public works in the Division of Deesa and Abu should be transferred from Bombay to Rájputána, with effect from the 1st April 1876, I am directed

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to state, for the information of the Government of Bombay, that the amount provided for such works in the Bombay Provincial allotment, viz. Rs. 19,000, has been transferred to the Imperial Public Works estimate for 1876-77.

No. 71.

Government of India, Financial Department, No. 446, dated 26th May 1876.

By the Resolution now read again, the amounts transferred from Marine to Provincial funds for the service of light-houses and light-ships were withdrawn. It now appears that besides the amounts transferred from Marine, the Provincial assignments included provision for outlay on light-houses in the Public Works Department, which, under the Resolution of 16th February 1876, will be Imperial. The Governor General in Council accordingly directs that the Provincial assignments be further reduced, with effect from the beginning of 1875-76, to the extent of Rs. 2,202 for Bombay.

No. 72.

Government of India, Financial Department, Resolution No. 937, dated 21st June 1876.

Read a proposal that the fines and fees levied by the Police Magistrates in the Presidency

Act XIII. of 1856	} Police Acts.	Act X. of 1866,	} Town of Bombay			
" XLVIII. of 1860		" XIX. of 1866,		} under the Acts		
" VI. of 1818,		" XXV. of 1867,			} noted in the mar-	
" VIII. of 1866,		" XII. of 1872,				} gin may be credit-
" XVIII. of 1854,		" I. of 1874,					} ed to Law and
" of 1870 and XXV. of 1871.		} Justice instead of				

to "Provincial Funds," Police, as hitherto.

The Governor General in Council is pleased to sanction the proposal, with effect from the beginning of the year 1876-77, an addition of Rs. 25,100 (twenty-five thousand and one hundred) being made to the Provincial assignment.

No. 73.

Government of India, Financial Department, No. 2625, dated 2nd September 1876.

In the orders on the Bombay Civil estimates for 1876-77 the grant of Rs. 50,000 for the Páli and Godhra road was authorized to be treated as a special addition to the allotment for 1875-76, and that these orders superseded the previous orders of 12th July 1875, in which the grant was made for the year 1876-77.

2. The correct amount of the grant for civil jail guards is Rs. 4,644, and this has been added to the permanent allotment. In the estimate for 1876-77 this amount was taken at a round sum of £400, but it was not meant thereby to reduce the permanent allotment by £64.

No. 74.

Government of India, Financial Department, No. 3051, dated 25th September 1876.

The Governor General in Council is pleased to sanction the addition to the Bombay Provincial assignment of Rs. 7,500 annually, with effect from the 1st August 1877, on account of the abolition of the one-anna cess on the Excise Revenue of the Poona Cantonment.

No. 75.

Government of India, Financial Department, No. 1746, dated 13th July 1877.

I have the honour to acknowledge the receipt of your letter No. 2317, dated the 15th May 1877, requesting sanction to an additional assignment to meet the increased police charges,

which the revision of assessment and the consequent rise in the value of lands assigned to police patels rendered necessary in the Dhárwár District in each of the years noted in the margin.

	Amount debited to Police.		More than allotment.
	Rs.	Rs.	
Grant included in the Provincial allotment ...		52,400	
1874-75...	59,834		7,434
1875-76...	62,479		10,079
1876-77...	65,102		12,702
			<u>30,215</u>

2. In reply I am directed to state that the Governor General in Council sanctions an addition of Rs. 30,215 to the Bombay Provincial allotment for the year 1876-77, on the understanding that no new land has been assigned to the police since the Provincial allotments.

APPENDIX B.

No. 1.

Government of India No. 1709, dated 22nd March 1877.

RESOLUTION.—Subject to the approval of the Secretary of State in Council, the Governor General in Council has resolved to re-incorporate in the Imperial Estimates and Accounts, in the manner described in this Statement by the Hon'ble Sir John Strachey, the transactions of the Local Governments, which have, since 1871-72, been represented by a single net entry in the Imperial Estimates and Accounts under the Head *Allotments for Provincial Services*.

2. Additional Revenues have been already surrendered to the provincial uses of the Governments of *Bengal*, the *North-Western Provinces* and *Oudh*, and additional Services transferred to their management and responsibility; it is the intention of the Governor General in Council, after consultation with the other Local Governments, to propose similar expansions of the measure of December 1870 in respect to the Revenues and Services of the other Provinces.

3. In consequence of the arrangements thus completed or contemplated, it is necessary to revise the conditions under which the Local Governments administer the Revenues and Services entrusted to their particular use and management.

4. In supersession, therefore, of all existing regulations upon the subject, the Governor General in Council is pleased to decide that, till further orders, the following shall be the *Rules and Conditions which apply to the administration by the Local Governments of all Revenues and Services surrendered to provincial uses and management*.

I.—Without the previous sanction of the Government of India—

- (1) No additional taxation may be imposed, and no change made in any existing system of Revenue management;
- (2) No new general service or duty may be undertaken: whenever a Local Government proposes to undertake any such new service or duty, it must satisfy the Government of India that it can provide the funds for it, temporarily, if the service or duty is temporary, and permanently, if it is permanent;
- (3) No appointment may be created with a pay of more than Rs. 250 a month; and no addition may be made to the pay and allowances of any officer if they exceed, or would, after the addition, exceed, Rs. 250 a month;
- (4) No appointment of which the pay and allowances are more than Rs. 250 a month may be abolished; and the pay and allowances of no such appointment may be reduced;
- (5) No class or grade of officers may be created or abolished; and the pay of no class or grade of officers may be raised or reduced;
- (6) The rates of discount upon the retail of stamps and court-fee labels, and the local duty on spirit and drugs, must not be altered: the Governor General in Council reserves the right of forbidding any such alterations as are likely to injure the Revenues of neighbouring Provinces or prove otherwise inconvenient;
- (7) No addition may be made to the pay or allowances of any individual officer, or class of officers, that may lead to increase in the emoluments of any public servants doing duty in the same Province, whose pay and allowances are not charged under one of the transferred Heads of Service. The Government of India reserves the right to forbid alterations in rates of pay or allowances, which, in its opinion, would produce inconvenience in other Provinces;

- (8) No money may be removed from the Public Treasury for investment, or deposit elsewhere: the Government of India, which is responsible for the provision of ways and means for the public service in all Departments, must always retain, as at present, in its own hands, absolute and unconditional control over all money in the Public Treasury: a Local Government may not withdraw such money except for expenditure upon the public service;
- (9) No alteration must be made in the form or procedure of the Public Accounts;
- (10) No services previously rendered to other Departments at the charge of the Departments made over to the control of the Local Governments may be diminished, and no services previously rendered to these Departments at the charge of other Departments may be increased;
- (11) No line of through communication may be abandoned, or allowed to fall out of repair.
- II.—Returns are to be made quarterly, through the several Administrative Departments of the Government of India, to the Financial Department, showing every change made in the pay of any officer, every new office created, and every existing office abolished; also any unusual or extraordinary charge incurred, and any expenditure discontinued.
- III.—All Standing Orders and Rules of the Supreme Government are to be observed, including, in particular, the Rules in the Codes of the Financial and Public Works Departments, Travelling Allowance Rules, and the Rules and Circular Orders of the Comptroller General.
- IV.—Returns, Accounts, and Estimates are to be submitted to the Supreme Government in such forms, and at such times, as may be prescribed.
- V.—The Local Governments must keep the Governor General in Council, in the several Departments, fully informed of their executive and financial proceedings; the Governor General in Council will not relinquish his general powers of supervision and control in any Department: but His Excellency in Council will, as far as possible, avoid interference with the details of the administration of the transferred revenues and services, and any embarrassment of the provincial finances.
- VI.—A Local Government must accept, without remonstrance, any charge which would, under the system in force before 1871-72, have been recorded, under any of the transferred Heads of Account, in the Accounts of its Presidency or Province; and must not raise objections on such grounds as that the charge has originated outside the Presidency or Province, or that the Presidency or Province is not interested in it, or the like: if any doubt arises at any time, whether any charge should or should not be entered under any particular Head in the Accounts of any Presidency or Province, such doubt must be solved by one test only, *viz.*: “How would it have been entered if it had occurred before 1871-72, when the powers and responsibilities of Local Governments were first enlarged?” Thus, for example, the pay or leave allowances of an officer belonging to another Administration on duty or on leave in the North-Western Provinces, and drawn there, must be charged in the Accounts of the North-Western Provinces: the Governor General in Council did not intend by the measure of 1870, and does not, now, intend, to introduce, or authorise, any change of practice in such matters, or any inter-provincial, inter-presidential or inter-departmental adjustments, not theretofore allowed: in regard to all such transactions, the arrangements made with the Local Governments were calculated upon the basis of the system which existed before the year 1871-72.
- VII.—The grant made to a Local Government for all the services entrusted to its administration is a consolidated grant: no claim will lie against the Imperial Treasury on the ground that the cost of any service exceeds the amount at which it was estimated in the calculation of the consolidated grant.
- VIII.—In the management of its finances, a Local Government must never absolutely exhaust its Balance in the Imperial Treasury: the Government of India will not accept any estimates, or allow any transactions, by a Local Government, which involve the expenditure of more money than is at its credit in the Imperial Treasury: it is the duty of every Accountant General to take care that this condition is never infringed, and promptly to report to the Governor General in Council any transgression of it which is not, upon his representation, immediately rectified by the Local Government addressed.
- IX.—A Local Government may not lend money from the Balance at its credit in the Imperial Treasury: the Government of India will always pay every attention to any recommendation for the loan of public money in excess of the powers which are entrusted to a Local Government by law or rule; but all loans alike must be from the Imperial Balances; such operations must not be mixed up with the arrangements between the Imperial and the Local Government for the collection and appropriation of the Public Revenues or the administration of the Public Services.

X.—It is a general condition precedent to the delegation of all authority to disburse public money that it shall be *bond fide* for a public object; nothing must be carried out by means of the public funds for the advantage of any individual or body of private persons, unless, in accordance with some declared or established rule or principle, recognised by the Government of India: it is the duty of every Audit Officer, at all times, to challenge any infringement of this principle; and every Local Government must submit, for the orders of the Government of India, any representation made to it by any Audit Officer in accordance with this Rule which it does not promptly accept.

XI.—On or before the 31st January of each year, each Local Government must forward to the Government of India in the Financial and Public Works Departments and publish in the Local Government Gazette, in detail of Major Heads, with such explanations as may be necessary for the due understanding of its financial administration—

(1) An Account showing—

- (a) The balance of the Local Government in the Imperial Treasury at the beginning of the last complete financial year;
- (b) The revenues appropriated during that year to provincial uses, and the supplementary assignment from the Imperial Treasury;
- (c) The expenditure under provincial responsibility during that year;
- (d) The balance of the Local Government in the Imperial Treasury at the end of that year;

(2) Revised Estimates in the same detail for the current financial year;

(3) Estimates in the same detail for the coming financial year.

XII.—The Governor General in Council reserves power to modify, add to, or repeal these Rules and Conditions at any time.

No. 2.

Government of India, Financial, No. 2309, dated 2nd August 1877.

In pursuance of the policy announced by the Honourable Sir John Strachey in his Financial Statement, dated the 15th March, His Excellency the Viceroy in Council has resolved, after consultation with His Excellency the Governor of Bombay in Council, to make the following arrangements for the extension of the financial and administrative powers and responsibilities of the Government of Bombay during the five years beginning on the 1st April 1877: the mutual obligations of the Government of India and the Government of Bombay in respect to the matters to which this despatch refers, will, thereafter, be settled afresh.

2. *I. Land Revenues.*—Pending a decision upon the question, which is now under separate consideration, how far it may be expedient to omit many of these items from the Finance and Revenue Accounts altogether, (which question is not to be held as in any way prejudiced by the present proceedings) the Governor General in Council has resolved to surrender to the Local Government the "*Inámdári Adjustments*" and "*Service Commutations*" recorded under this Head of Account, together with the corresponding charges recorded under 4, *Land Revenues*, and 24, *Allowances and Assignments*. The items are as follows:—

	1872-73.	1873-74.	1874-75.	1875-76.	Estimate. 1876-77.	Estimate. 1877-78.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Inámdári lands adjusted ...	51,89,000	51,15,000	51,83,000	52,22,000	51,99,000	52,24,000
Hereditary District and Village Officers', and other service lands and service commutations. ...	13,47,000	13,04,000	13,22,000	13,53,000	13,65,000	14,00,000
Total ...	65,36,000	64,19,000	65,05,000	65,75,000	65,64,000	66,24,000

3. The increase of late years is counterbalanced by an increase under the corresponding Heads of Expenditure, and the Revenue from these sources may be fixed at Rs. 66,24,000, on condition that the whole of the corresponding charges be defrayed by the Local Government, in consideration of the assignments hereinafter settled under the Heads

of 4, *Land Revenue*, and 24, *Allowances and Assignments*. The assignment of this Revenue must not be understood to confer upon the Government of Bombay any power, which it does not now possess, to alter the character of any of these tenures, and, especially, to make permanent any grant which is now temporary.

4. *IV. Excise*—The Accounts and Estimates of this revenue are as follows :—

	1872-73.	1873-74.	1874-75.	1875-76.	Approximate Actuals 1876-77.	Estimate. 1877-78.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue	37,64,000	36,33,000	37,81,000	39,75,000	40,23,000	39,50,000
Charges	28,000	37,000	71,000	61,000	68,000	80,000
Refunds	6,000	3,000	1,000	6,000	9,000	2,000
Net Revenue	37,80,000	35,93,000	37,09,000	39,08,000	39,46,000	38,68,000

5. The tendency of the Excise Revenue, since 1873-74, has been to increase by at least Rs. 1,00,000 a year, and the Governor General in Council has settled for it with the Local Government on this basis, as follows, subject to the further adjustment to be presently described.

Net Revenue from Excise to be made good to the Imperial Treasury in

	Rs.		Rs.		Rs.
1877-78 ...	40,00,000	1879-80 ...	42,00,000	1881-82 ...	44,00,000
1878-79 ...	41,00,000	1880-81 ...	43,00,000		

There can hardly be a doubt that, but for the Famine, the net *Excise Revenue* in 1877-78 would have been (as indeed it may, perhaps, even now be) at least Rs. 40,00,000, and the Government of Bombay is now engaged upon special measures for the improvement of the Excise Revenue. The details for 1877-78 will be shown *pro forma* as follows:—*Gross Revenue* Rs. 40,82,000, *Charges* Rs. 80,000, *Refunds* Rs. 2,000, *Net Revenue* Rs. 40,00,000.

6. The Accounts and Estimates of the Revenue from *Stamps* are as follows :—

	1872-73.	1873-74.	1874-75.	1875-76.	1876-77. Approximate Actuals.	1877-78. Estimate.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue	52,74,000	50,09,000	46,39,000	46,70,000	44,00,000	45,00,000
Charges	1,73,000	1,55,000	1,57,000	1,56,000	1,58,000	1,58,000
Refunds	69,000	69,000	55,000	53,000	56,000	56,000
Net Revenue	50,32,000	47,85,000	44,27,000	44,61,000	41,86,000	42,86,000

The unsatisfactory condition of this branch of the Revenue has been the subject of frequent correspondence with the Government of Bombay. It seems probable that, like other Revenues, the Revenue from *Stamps* is, just now, especially depressed in consequence of the Famine; and there are other reasons for expecting that a revival of this Revenue will, hereafter, reward more particular attention thereto. The Government of Bombay has accordingly consented to the following settlement of this Revenue, subject to adjustment as before :—

Net Stamp Revenue to be secured to the Imperial Treasury in—

	Rs.		Rs.		Rs.
1877-78 ...	43,00,000	1879-80 ...	45,00,000	1881-82 ...	46,00,000
1878-79 ...	43,50,000	1880-81 ...	45,50,000		

The details for 1877-78 may be assumed, *pro forma*, as follows:—*Gross Revenue* Rs. 45,14,000, *Charges* Rs. 1,58,000, *Refunds* Rs. 50,000, *Net Revenue* Rs. 43,00,000.

7. The Accounts and Estimates of the Imperial portion of the Revenue from *Law and Justice* are thus recorded :—

	1872-73.	1873-74.	1874-75.	1875-76	1876-77. Approximate Actuals.	1877-78. Estimates.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue	2,97,000	3,53,000	2,85,000	2,83,000	3,08,000	3,05,000
Refunds	30,000	44,000	33,000	30,000	31,000	31,000
Net Revenue	2,67,000	3,09,000	2,52,000	2,53,000	2,77,000	2,74,000

The Net Imperial Revenue from this source is fixed at Rs. 2,70,000, which may be entered as follows :—*Revenue* Rs. 3,00,000, *Refunds* Rs. 30,000.

8. Thus the aggregate Net Revenue to be assured to the Imperial Treasury from these sources is as follows :—

	In 1877-78.	In 1878-79.	In 1879-80.	In 1880-81.	In 1881-82.
	Rs.	Rs.	Rs.	Rs.	Rs.
<i>Excise</i>	40,00,000	41,00,000	42,00,000	43,00,000	44,00,000
<i>Stamps</i>	43,00,000	43,50,000	45,00,000	45,50,000	46,00,000
<i>Law and Justice</i> (present Imperial portion)	2,70,000	2,70,000	2,70,000	2,70,000	2,70,000
Total	85,70,000	87,20,000	89,70,000	91,20,000	92,70,000

9. But, as in the arrangements with other Governments, so in that which has now been made with the Government of Bombay, the exigencies of the Imperial Treasury have compelled the Governor General in Council to reserve a part of the excess revenue which may, it is hoped, hereafter accrue under these Heads. The Governor of Bombay in Council has, accordingly, agreed to surrender to the Imperial Treasury half of any excess over the Net Revenue thus calculated which may be actually obtained; the Governor General in Council, on his part, undertaking to bear half of any possible deficit. For example, if, in 1878-79, the actual Net Revenue from these three sources should be Rs. 89,00,000, the sum due to the Imperial Treasury will be Rs. 87,20,000 + $\frac{1,80,000}{2}$ = Rs. 88,10,000: if, on the other hand, it should be Rs. 86,00,000, the sum to be made good to the Imperial Treasury would be Rs. 87,20,000 - $\frac{1,20,000}{2}$ = Rs. 86,60,000 only.

10. *XV. Interest.*—In accordance with the principles upon which the Governments of Bengal and the North-Western Provinces have been made liable for the recovery by the Imperial Treasury of interest on the capital expended in the construction of canals and railways for purposes of local importance, the Government of Bombay will be presently invited to undertake the responsibility for the interest on the debt to the State of the Bombay Port Trust, including, hereafter, interest on the capital now being expended on the "Prince's Wet Dock": but this will be separately arranged.

11. The *Miscellaneous Revenue* is made over to the Local Government, excepting *Gain by Exchange, Premium on Bills, Premium on Money Orders, Lapsed Money Orders, Sale Proceeds of Darbár Presents*, and any item exceeding Rs. 10,000 which cannot properly be recorded under any sub-head now existing in the Public Accounts of the Bombay Presidency. On the other hand, the Local Government has agreed to become responsible for all *Miscellaneous Refunds* and for all the *Miscellaneous Expenditure*, excepting *Charges for the remittance of Treasure, Discount on Supply Bills and Loss by Exchange on local transactions* and any item exceeding Rs. 10,000 which cannot properly be recorded under any sub-head now existing in the Public Accounts of the Bombay Presidency.

12. The Accounts and Estimates of these items are as follows :—

	1872-73.	1873-74.	1874-75.	1875-76.	1876-77. Estimates.	1877-78. Estimates.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue	2,01,000	2,49,000	3,49,000	1,14,000	1,06,000	1,00,000
Charges	97,000	40,000	31,000	39,000	26,000	21,000
Refunds	11,000	15,000	45,000	25,000	28,000	28,000
Net Revenue... ..	93,000	1,94,000	2,73,000	50,000	52,000	51,000

It has been determined that the net sum of Rs. 70,000 shall be due to the Imperial Treasury under these Heads distributed *pro forma* thus:—Revenue Rs. 1,20,000, Charges Rs. 28,000, Refunds Rs. 22,000.

13. Turning now to the EXPENDITURE side of the Account, I am to remark as follows:—

The sum to be allowed for Provincial Refunds has been already settled, in this despatch, at Rs. 1,10,000, thus:—

					Rs.
<i>Excise</i> ...	...	...	...	...	2,000
<i>Stamps</i> ...	...	...	...	...	56,000
<i>Law and Justice</i> ...	...	...	...	...	30,000
<i>Miscellaneous</i> ...	...	...	...	...	22,000
					<u>1,10,000</u>

14. 4, *Land Revenue*.—The Accounts and Estimates are as follows:—

		Rs.			Rs.
1872-73...	...	64,90,000	1875-76	...	65,89,000
1873-74...	...	64,41,000	1876-77 Approximate actuals	...	65,79,000
1874-75...	...	63,94,000	1877-78 Estimates	...	65,07,000

The Governor General in Council has determined to make over the whole of this Grant to the particular administration of the Government of Bombay, assigning for this service the amount already fixed for 1877-78, *viz.*, Rs. 65,07,000.

15. 7, *Customs*.—The Local Government has accepted the responsibility for the whole expenditure under this Head, taking the Revenue recorded, under this Head, as *Miscellaneous* and *Warehouse Rents*. The Accounts and Estimates are as follows:—

	1872-73.	1873-74.	1874-75	1875-76.	1876-77. Approximate Actuals.	1877-78. Estimates.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Expenditure ..	8,20,000	7,99,000	8,08,000	7,96,000	8,15,000	8,09,000
Revenue ...	1,18,000	1,22,000	91,000	88,000	94,000	77,000
Net Expenditure ...	7,02,000	6,77,000	7,17,000	7,08,000	7,21,000	7,32,000

A net sum of Rs. 7,20,000 is assigned for this service, which may be distributed *pro forma* thus:—Expenditure Rs. 8,09,000, Revenue Rs. 89,000. *Customs Refunds and Drawbacks* will remain an Imperial Charge.

16. The service of the *Salt Department* is likewise entrusted to the Local Government, the Departmental *Fines and Forfeitures* being at the same time surrendered to it. The figures are as follows:—

	1872-73.	1873-74.	1874-75.	1875-76	1876-76. Approximate Actuals.	1877-78. Estimates.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Expenditure ...	4,09,000	4,57,000	4,99,000	5,61,000	5,67,000	5,69,000
Fines and Forfeitures ...	94,000	1,31,000	1,36,000	57,000	28,000	23,000
Net Expenditure ...	3,15,000	3,26,000	3,63,000	5,04,000	5,39,000	5,46,000

The net assignment for this service is fixed at Rs. 5,40,000, the *Expenditure* being entered at Rs. 5,69,000, and the *Fines and Forfeitures* at Rs. 29,000.

17. The Government of India will be glad, hereafter, to give to the Government of Bombay, in exchange for some portion of the net consolidated assignment fixed by this despatch, some particular interest in the revenue derived from the consumption of salt within the Bombay Presidency; and I am to enquire whether His Excellency the Governor in Council can suggest the means of distinguishing this part of the Salt Revenue brought to account in Bombay, with certainty, and without risk of confusion or controversy, from the Revenue

which, though recorded in the Accounts of the Bombay Presidency, is derived from consumption in other parts of India: if so, the actual net revenue thus obtained in each of the last five years should be reported, with explanations of the methods by which it has been ascertained.

18. 14, *Administration*.—This grant is made over to the management of the Government of Bombay, excepting the provision for *Civil Offices of Account and Audit, Currency Department, Money Order Office, Allowance to the Presidency Bank, and Stationery purchased in the Country.*

The expenditure under the remainder of this Head has been or is expected to be, as follows:—

			Rs.				Rs.
1872-73	...	...	11,23,000	|	1875-76	...	11,44,000
1873-74	...	...	11,53,000	|	1876-77 Estimates	...	11,37,000
1874-75	...	...	11,46,000	|	1877-78 Estimates	...	11,43,000

The grant is that fixed for this year, *viz.*, Rs. 11,43,000.

19. 13, *Minor Departments*.—The following services are reserved for Imperial control: *Meteorological and Archæological Departments, Census, Gazetteer and Statistical Memoirs.*

The rest of this grant is surrendered to the particular management of the Government of Bombay. The figures are as follows:—

			Rs.				Rs.
1872-73	...	...	1,73,000	|	1875-76	...	1,17,000
1873-74	...	...	1,52,000	|	1876-77 Estimates	...	98,000
1874-75	...	...	1,24,000	|	1877-78 Estimates	...	1,13,000

The grant is fixed at the amount settled for 1877-78, *viz.*, Rs. 1,13,000.

20. 16, *Law and Justice*.—The whole grant is made over to the Local Government with an assignment of Rs. 43,12,000 as fixed for 1877-78. The accounts and estimates are as follows:—

			Rs.				Rs.
1872-73	...	...	40,88,000	|	1875-76	...	42,00,000
1873-74	...	...	40,49,000	|	1876-77 Approximate actuals	...	42,63,000
1874-75	...	...	40,38,000	|	1877-78 Estimates	...	43,12,000

21. 18, *Marine*.—The Revenue and Expenditure recorded under the following subdivisions of this Head are surrendered, the revenue being taken at Rs. 28,000, and the expenditure at Rs. 31,000—

	1872-73.	1873-74.	1874-75.	1875-76.	1876-77. (Approximate).
	Rs.	Rs.	Rs.	Rs.	Rs.
REVENUE.					
Shipping fees, Bombay	17,636	17,273	20,089	23,797	24,022
Ditto Aden	Not in existence.	2,089	2,332	1,569	752
Towage fees, Karáchi	1,912	1,904	2,161	3,841	2,501
Sea pilotage fees, do.	1,702	1,390	933	1,159	989
Total	21,250	22,656	25,515	30,366	28,264
EXPENDITURE.					
Shipping Master, Bombay	17,761	17,037	15,784	16,160	16,141
Ditto Aden	Not in existence.	880	962	987	880
Marine Court	524	606	256	448	762
Steam Tug at Karáchi (Manora)	14,500	15,781	14,877	14,967	12,379
Sea pilotage, Karáchi	2,130	2,563	2,513	4,506	1,215
Total	34,915	36,867	34,392	37,068	31,377

22. 20, *Ecclesiastical*.—The whole grant is made over to the management of the Government of Bombay with a grant of Rs. 3,25,000 as fixed for 1877-78. The accounts and estimates are as follows :—

Rs.			Rs.		
1872-73 ...	...	3,06,000	1875-76 ...	...	3,04,000
1873-74 ...	...	3,14,000	1876-77 Approximate actuals	...	2,87,000
1874-75 ...	...	3,37,000	1877-78 Estimates	...	3,25,000

23. 21, *Medical*.—In like manner, the whole of the portion of this grant which is now Imperial is given up to local management with an assignment of Rs. 2,68,000, which is the Grant fixed for 1877-78.

Past and estimated figures are as follows :—

Rs.			Rs.		
1872-73 ...	...	2,83,000	1875-76 ...	...	2,65,000
1873-74 ...	...	2,80,000	1876-77 Approximate actuals	...	2,69,000
1874-75 ...	...	2,70,000	1877-78 Estimates	...	2,68,000

24. The cost of *stamps* and *stationery* supplied to all departments of the administration in Bombay, excepting the Postal and Telegraph Departments, has been as follows :—

Rs.			Rs.		
1871-72 ...	...	1,96,000	1874-75 ...	...	2,90,000
1872-73 ...	...	1,69,000	1875-76 ...	...	2,99,000
1873-74 ...	...	1,90,000			

The Government of India has granted the sum of Rs. 2,29,000 to cover this service, being the average expenditure of these five years.

25. 24, *Allowances and Assignments*.—The whole of this grant also, excepting the portion for *Territorial and Political Pensions*, is made Provincial with a grant fixed at Rs. 64,81,000 as for the year 1877-78. The accounts and estimates are as follows :—

Rs.			Rs.		
1872-73 ...	...	65,12,000	1875-76 ...	...	65,56,000
1873-74 ...	...	63,88,000	1876-77 Estimates	...	65,29,000
1874-75 ...	...	64,79,000	1877-78 Estimates	...	64,81,000

26. 26, *Superannuation Allowances*.—The charges recorded under the Heads of *Superannuation and Retired Allowances, Compassionate Allowances and Gratuities* are made over to the Local Government, together with the Revenue under the Head of *Contributions for Pensions and Gratuities*. The figures have been, or are expected to be, as follows :—

	1872-73.	1873-74.	1874-75.	1875-76.	1876-77. Estimates.	1877-78. Estimates.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Expenditure ...	7,16,000	7,39,000	7,69,000	7,73,000	7,98,000	7,57,000
Revenue ...	...	1,000	45,000	88,000	93,000	67,000
Net Expenditure ...	7,16,000	7,38,000	7,24,000	6,85,000	7,05,000	6,90,000

The assignment for this service is fixed at Rs. 7,20,000 (*viz.*, Expenditure Rs. 8,00,000, and estimated Revenue Rs. 80,000.)

27. Appended to this paragraph is a Statement showing the Revenue and Expenditure for which, under the arrangements thus concluded, the Government of Bombay will be especially responsible. The aggregate *Revenue* shown in this Statement is Rs. 1,65,30,000 and the aggregate *Expenditure* Rs. 3,24,17,000. It is necessary, however, in the interests of the Imperial Treasury, to make some retrenchment from the aggregate of the Grants thus brought together: such a retrenchment has been made in fixing the Consolidated Grants to other Provincial Governments under settlements of the same character as that now made with the Government of Bombay, and is justified by the expectation upon which the policy of these settlements partly rests, *viz.*, that the Local Governments will be able to effect considerable economies in the management of the Services entrusted to them.

Revenue.		Expenditure.	
	Rs.		Rs.
I.—Land Revenue	66,24,000	3.—Refunds	1,10,000
IV.—Excise	40,82,000	4.—Land Revenue	65,07,000
VI.—Customs	89,000	6.—Excise	80,000
VII.—Salt	29,000	7.—Custom	8,09,000
IX.—Stamps	45,14,000	8.—Salt	5,69,000
XIII.—Law and Justice	3,00,000	10.—Stamps	1,58,000
XV.—Marine	28,000	14.—Administration	11,43,000
XVIII.—Receipts in aid of Superannuation, Re- tired, and Compas- sionate Allowances	80,000	15.—Minor Departments	1,13,000
XX.—Miscellaneous	1,20,000	16.—Law and Justice	43,12,000
Existing Provincial Allotment	6,64,000	18.—Marine	31,000
Total	1,65,30,000	20.—Ecclesiastical	3,25,000
		21.—Medical	2,68,000
		22.—Stationery and Stamps	2,29,000
		24.—Allowances and Assignments	64,81,000
		26.—Superannuation Allowances	8,00,000
		28.—Miscellaneous	28,000
		Existing Allotment for Pro- vincial Services	1,04,54,000
		Total	3,24,17,000

28. Of the items composing the Aggregate Grant of Rs. 3,24,17,000 included in this Statement, the Government of India has not, for the reasons stated against each, made any reductions from the following Grants:—

	Rs.	
Refunds	1,10,000	Because the Government of India has stipulated for a share of any increase in the net revenue connected with these Heads of Charge.
Excise	80,000	
Stamps	1,58,000	
Allowances to District and Village Officers	28,73,000	Because it is believed to be out of the power of the Local Government to effect any considerable reductions under these Heads.
Allowances and Assignments	64,81,000	
Superannuation Allowances	8,00,000	
Provincial Allotment	1,04,54,000	Because this grant was, for the most part, fixed after retrenchments made in 1870.
Total	2,09,56,000	

29. If this sum of Rs. 2,09,56,000 is subtracted from the aggregate estimated expenditure (Rs. 3,24,17,000) there remains Rs. 1,14,61,000, 5 per cent. upon which is Rs. 5,73,050: the retrenchment which the Government of India is obliged to make is fixed at Rs. 5,67,000. Thus the Consolidated Grant for the whole expenditure to be entrusted to the responsibility of the Government of Bombay is Rs. 3,18,50,000, towards which revenue, estimated in 1877-78 at Rs. 1,65,30,000, is assigned. Consequently, the amount to be made good to the Government of Bombay from the reserved Imperial revenue will be as follows, subject only to the adjustment stipulated in paragraph 9:—

	Rs.
In 1877-78	1,53,20,000
1878-79	1,51,70,000
1879-80	1,49,20,000
1880-81	1,47,70,000
1881-82	1,46,20,000

30. If, in any of these years, the balance upon an Account prepared in the same manner as the Statement in paragraph 27, is less than the amount thus determined, after modification by the adjustment stipulated in paragraph 9, the difference will be added to the balance at credit of the Government of Bombay in the Imperial Treasury: if it is more, it will be deducted from that balance which by Rule VIII of the "Rules and conditions which apply to the administration by the Local Governments of all Revenue and Services surrendered to provincial uses and management," published with Financial Resolution No. 1709, dated 22nd March 1877, must never be exhausted. If the balance at credit of the Government of Bombay in the Imperial Treasury does not suffice to supply any deficit which may result upon the Accounts of the Government of Bombay for any year, the difference must be made good from the separate Provincial Resources of the Local Government.

31. Although the settlement described in this despatch is intended and believed to be such that, in ordinary times, the Government of Bombay will have ample means for the administration of the several Services entrusted to it, yet it is possible that, during the current year, the effects of the famine may defeat this intention. The Government of Bombay was informed, by Resolution No. 1826, dated 28th of March, that, in such case, the

Government of India will, as soon as this calamity is happily at an end, make such a contribution from the Imperial Treasury as will prevent the insolvency of the Local Government. The Governor General in Council has now been pleased to fix the contribution at such an amount as will leave the Government of Bombay with an unencumbered balance of six lakhs of Rupees at its disposal for general purposes on the 1st April 1878. Doubtless, the Government of Bombay will be scrupulously careful so to administer its provincial finances, meanwhile, as to reduce to a minimum the demand upon the Imperial Treasury for this purpose.

32. The structure of the Public Accounts will not be in any way affected by the adoption of the measures detailed in this despatch. The Government of Bombay is at liberty to keep such separate Accounts as it may think necessary to enable it to exercise the independent financial control now conceded to it over the delegated Revenues and Services; but the delegated Revenue and Expenditure will continue, as heretofore, to be recorded in the Public Accounts of the Empire, exactly as they occur, without any reference to the relative responsibilities and mutual engagements of the Imperial and the Provincial Governments. The settlement of accounts between the two Governments will be effected, upon the balance of the whole provincial account, by a single entry in the Imperial Public Accounts under "*Balance of the Local Government Increased or Decreased*" as the case may be.

33. The Governor General in Council has not, at present, the means of ascertaining the expenditure from the Home Treasury of the Government of India under the several transferred Heads of Service on account of the Bombay Presidency: but, as soon as His Excellency in Council can obtain this information, he will make proposal to the Government of Bombay for the incorporation of this expenditure also in the settlement now made with the Government of Bombay.

34. No attempt has been made, in this despatch, to settle the responsibility of the Government of Bombay for interest on the capital expended by the State in the Bombay Presidency upon Local and Provincial railways and works of irrigation, in the manner already carried out in Bengal and in the North-Western Provinces. The Accounts of 1875-76 show a total expenditure of Rs. 5,53,140 on the Hubli and Kárwár Line: the arrangement to be made about the expenditure upon this Line as well as upon the Dhond and Manmád and Kárwár and Dhárwár Lines has yet to be determined. The capital expenditure on irrigation works in the Bombay Presidency to the end of 1875-76 appears, from accounts prepared in the Public Works Department, of which copy is appended with an explanatory memorandum, to have been, on the 31st March 1875, excluding contributions, Rs. 1,71,86,000; the capital expenditure, during the year, was, excluding Contributions, Rs. 14,16,000; the revenue from water-rates and other direct returns in the same year was Rs. 1,05,000, and the working expenses Rs. 10,10,000. Thus, the net charge upon the Revenues for these works in 1875-76 was Rs. 17,10,230, as follows:—

	Rs.
Interest at $4\frac{1}{2}$ per cent on Rs. 1,71,86,000 for one year	... 7,73,370
Interest at $4\frac{1}{2}$ per cent on Rs. 14,16,000 for half-a-year	... 31,860
Excess working expenses	... 9,05,000
Total	... 17,10,230

35. Against this charge must be set any land revenue which is due to or dependent on the works. Until the amount of this revenue is ascertained, and some system settled upon which this indirect revenue from the works can be fixed, without controversy, in future, it will be difficult to determine the proper responsibility of the Presidency of Bombay in respect to these works. The Governor General in Council will be glad to receive, from the Government of Bombay, early proposals for the surrender of these works to provincial use and management on the principle of a provincial guarantee such as has been already given by the Governments of Bengal and the North-Western Provinces. Meanwhile, His Excellency the Governor in Council will understand that if, hereafter, any new extraordinary works are undertaken in the Bombay Presidency whose scope and object is local or provincial, a guarantee from Provincial Revenues of the interest on their capital cost will be necessary.

36. The question as to the extent to which, or the means by which, Provincial responsibility for expenditure incurred for the relief of distress arising from Famine is to be enforced, remains for future consideration: but the Government of Bombay is aware that Her Majesty's Government has, more than once, impressed upon the Government of India the importance of devising some plan by which effect shall be given to the principle of Provincial responsibility for such expenditure.

No. 3.

Government of India, Financial Department, No. 508, dated 29th January 1878.

The Governor General in Council is pleased to sanction an addition of Rs. 41,310 (forty-one thousand three hundred and ten) to the Bombay Provincial Service assignment for the current year to provide a suitable residence for Rajaram Dhole, the adopted son of the late Maha Rane of Sátára.

No. 4.

Government of India, No. 941, dated 14th February 1878.

The Governor General in Council has resolved that the gross revenue collected under these Acts, and under the proposed Central Provinces Local Rates Act, 1878, and under the Bengal, Bombay, and Madras License Tax Acts of 1878, shall henceforth be recorded in the Imperial Accounts (Provincial Section) under the Head of V, *Assessed Taxes*, and the costs of collection under the corresponding Head 7, *Assessed Taxes*.

The Estimates and Accounts should be revised and prepared accordingly, and each Local Government should, with the least possible delay, communicate by telegraph the amounts to be entered in the Estimates of 1878-79, and, in the case of Bengal and the North-Western Provinces (with reference to Acts VII and VIII of 1877 now repealed), in the Regular Estimates of 1877-78.

The contract maximum amounts to be guaranteed by the several Local Governments in respect to the taxes imposed in 1878 will be settled hereafter. Whatever amount may be in any case thus settled, the Imperial Government will limit its demands to the amount actually collected.

No. 5.

Government of India, Financial Department, No. 2098, dated 29th March 1878.

By the Resolution No. 1072, dated 20th February last, now read again, the Government of India determined to incorporate in the General Accounts the principal transactions heretofore recorded as in the separate category of Local Funds.

2. In carrying out this decision upon the Estimates of 1878-79 the Government has left outside the General Accounts only the following Funds, *viz.*, Cantonment, Municipal, Port, Station, and Town Funds; Educational, Dispensary, Hospital, and all other Trust or Endowment Funds; Police Remount Funds; and the few Funds specified in the Schedule annexed to this Resolution. In future, no transactions which are recorded in the public books, excepting those connected with these Funds, should be excluded from the General Accounts and Estimates and recorded under the Head of Local Funds. No new Fund should be created without a clear necessity; but, in case any new Fund is constituted which does not belong to one of the excluded classes just recited, the specific orders of the Government of India should be obtained as to whether it is to be kept outside the General Accounts, or incorporated therein. Care must be taken not to employ the device of Personal Ledger Accounts, so as to defeat the general policy now adopted, which is, that nothing shall be left outside the General Accounts which can, with propriety, be brought within them: each Accountant General and Deputy Accountant General in independent charge should submit through the Local Government to the Government of India an annual report upon the Personal Ledger Accounts upon his Books.

3. All the revenues of all the Funds now incorporated will be recorded under the new Major Head, VI, *Provincial Rates*, the revenue of each Fund as now existing being classed under a separate Sub-head. Similarly, all the costs of collecting the several revenues recorded under VI, *Provincial Rates* will be recorded, under corresponding Sub-heads, under new Expenditure Head, 8 *Provincial Rates*. The rest of the Expenditure now freshly incorporated in the General Accounts will be distributed, according to its character, under the several Service Heads. The several Accountants General and Deputy Accountants General in independent charge should, as soon as possible, submit to the Comptroller General only—*not to the Government of India*—Revised Estimates of General Revenue and Expenditure in 1878-79 incorporating the transactions of all Funds not excluded by this Resolution, and also Revised Local Fund Estimates for 1878-79 of the excluded Funds only, making no change in the figures already sent for these Funds. And further, a return should be made of the Revenue and Expenditure brought to account, month by month, during the three years 1875-76, 1876-77, and 1877-78, Major Head by Major Head, according to the classification of the Estimates of 1878-79, including all the incorporated items.

4. In order that the enforcement of the VIIIth Provincial Rule may not be hindered by these new arrangements, it will be necessary that each Local Government, in preparing the Accounts and Estimates prescribed by the XIth Rule, should state clearly how much of its opening and closing balance is at its unfettered disposal. The same particulars should be certified by the Accountant General. The opening balance of the coming year 1878-79 should be thus classified as soon as possible.

5. It is to be clearly understood that in thus incorporating the Local Fund transactions in the General Accounts, the Government of India does not intend to make any change whatever in regard to the appropriation of the Funds, which will be governed, as now, by the laws and orders from time to time applicable thereto.

SCHEDULE

INDIA—Persian Famine Relief.

BENGAL—Pooree Pilgrim Fund.

BOMBAY—Barea Tribute, Esplanade Fee, Cotton Improvement, Indus Conservancy and Registration.

No. 6.

Extract para. 1 of the Government Public Works Department Resolution No. 102A—135, dated 25th March 1878.

Government cannot consent to transfer to the Municipality the revenue and management of the Esplanade Fee Fund; but consider that the time has come when it is no longer advisable that the fund should be administered by a Committee. From the 1st April next, the receipts will be credited to Provincial Funds, and the charges will be debited against the Public Works Budget, the management being entrusted to the Executive Engineer at the Presidency, under the orders of the Superintending Engineer, Presidency Division.

No. 7.

Government of India, Financial Department, No. 1140, dated 29th June 1878.

Read again—Order in this Department, No. 2053, dated 26th July 1877, allowing the amount (Rs. 8,695) of compensation due to the Rája of Bándsa for the abolition of transit dues within his territory to be deducted from the amount (Rs. 8,851) of tribute payable by him to the British Government and net sum of Rs. 153 to be credited under "Tributes," &c., in the public accounts.

Resolution in this Department, No. 496, dated 23rd January 1878, directing the reduction of the Bombay Provincial Assignment by Rs 8,000 on the ground that the arrangement sanctioned in July 1877 would relieve the Provincial head, "Allowances and Assignments" to which the compensation to the Rája of Bándsa is debitable, of the charge of Rs. 8,695 a year.

Read also the letters noted in the margin from the Government of Bombay to the Secretary in the Foreign Department, recommending that the amounts payable to the Chiefs of Jamkhandi and Junior Miraj State, viz., Rs. 324-14-6 and Rs. 480-12-0 respectively, may be allowed to be deducted from the tributes payable by them to the British Government.

The Governor General in Council sanctions this recommendation, and directs that the allotment to Bombay under "Allowances and Assignments," which includes the amounts payable to these Chiefs, be reduced by Rs. 805 a year. This arrangement should take effect from the beginning of 1878-79.

His Excellency in Council also directs that a further reduction of Rs. 698 be made in the allotment to Bombay under "Allowances and Assignments," the correct amount surrendered in the case of the Bándsa Chief being Rs. 8,698. Thus the reduction in the Bombay Provincial Assignment will be Rs. 1,503, or, including Rs. 8,000 previously made, Rs. 9,503. With this reduction the amounts to be made good to the Government of Bombay from the reserved Imperial Revenues will stand, in round sums, as follows :—

	As per letter to the Government of Bombay, No. 2309, dated 2nd August 1877.	As now settled.
	Rs.	Rs.
1877-78	1,53,20,000	1,53,11,000
1878-79	1,51,70,000	1,51,60,000
1879-80	1,49,20,000	1,49,10,000
1880-81	1,47,70,000	1,47,60,000
1881-82	1,46,20,000	1,46,10,000

No. 8.

Extract para. of Government of India, No. 2687, dated 31st August 1878.

In every Province, except in Bombay, the price paid by the Government for salt to the manufacturers is exhibited in the accounts as expenditure and not as advances recoverable, His Excellency the Governor General in Council considers that the practice in this matter at

Bombay should now conform to that of the rest of India, and accordingly directs that the Revenue and Expenditure under Salt shall be shown in the Bombay Accounts gross with effect from the beginning of the year 1877-78, if possible. If this be not practicable, then the change now prescribed will have effect from the beginning of the current year, all items at present standing at debit of the Debt Account should be at once written off.

No. 9.

Government of India, Financial Department, No. 2765, dated 5th September 1878.

His Excellency the Governor General in Council is pleased to sanction a special assignment of Rs. 22,296-14-0 to meet an expenditure of £2,229-13-7 incurred in England for the purchase of plate and furniture for the Government Houses at Bombay and Poona.

No. 10.

Government of India, No. 3667, dated 26th October 1878.

RESOLUTION.—By the earliest of these Resolutions the separate Provincial Revenue and Expenditure, and, by the second and fifth, the separate Local Revenue and Expenditure, were incorporated in the General Estimates and Accounts of the Empire, in order that these Estimates and Accounts might exhibit, in suitable detail, the whole Public Revenue and Expenditure.

2. The General Accounts, thus expanded, continue to show the true result of a comparison between the Imperial Revenue and Expenditure only, the Surplus or Deficit of Imperial Revenue brought out upon the General Accounts, being exactly the same as would appear if the Provincial and Local transactions were not thus incorporated, or were again eliminated.

3. To produce this result the incorporated transactions are brought into exact equilibrium, the incorporated revenues being made precisely equal to the incorporated expenditure: this is effected by the entry, under an Adjusting or Transfer Head, of the actual difference between the incorporated Provincial and Local Revenue and Expenditure; any Surplus of such Provincial and Local Revenue being added to the Provincial and Local Balances, and, therefore, appearing as Imperial Expenditure, and any Deficit being made good from those Balances to the Imperial Treasury, and, therefore, appearing as Imperial Revenue.

4. At the same time, by the third Resolution now read again, careful precautions have been taken against the inclusion, under the Imperial Adjusting Revenue Head "*Provincial Deficits*," of any sum in excess of the balances actually in possession of any Local Government or Administration. In the 24th paragraph of the present Resolution, analogous precautions are prescribed against the credit under the same Adjusting Head, as a Local Fund Deficit, of any sum in excess of the balance at credit of any Local Fund.

5. The incorporation in the General Accounts, of the Provincial and Local Transactions, made no change in the relations between the Imperial, Provincial, and Local Finances, whose separate rights and responsibilities are in no way affected by their compilation into one General Account. This is clearly explained in the fifth paragraph of the Financial Statement for 1878-79, and also in the fifth paragraph of the fifth Resolution now read again.

6. It is now necessary to issue instructions to ensure—

- (1) the separate methodical record of the Provincial, and also of the Local, Revenue and Expenditure;
- (2) that contributions from one of the three separate Funds to either of the others, shall be so treated that there shall be no double entries of Revenue or Expenditure, in connection with such transactions, in the General Account.

7. In what follows, the Governor General in Council intends only to indicate the general principles to be observed, and the general results to be ascertained: it will be for the Comptroller General to determine by what detailed accounting methods effect may most conveniently be given to the instructions of the Government.

8. With effect from the beginning of the current year, 1878-79, four separate Accounts must be prepared and submitted to the Government of India by each Accountant General and Deputy Accountant General in independent charge for his own Province (through the Comptroller General), and by the Comptroller General for the treasuries in direct account with him:—

- I.—An Account of the Imperial Revenue and Expenditure reserved under the control of the Government of India.

II.—An Account of the Provincial Revenue and Expenditure. *

III.—An Account of the Revenue and Expenditure of those Local Funds of which the transactions are, under Resolution No. 2098, dated 29th March 1878, incorporated in the GENERAL ACCOUNTS.

IV.—A General Account combining Accounts Nos. I, II, and III.

9. Each of these four Accounts will be prepared in precisely the same form, in detail of the Major Heads in use for the Imperial Accounts only, without any variation whatever. The entry under each Major Head in the *General Account No. IV*, will be the sum of the entries under the same Major Head in the three Accounts Nos. I, II, and III.

10. Besides the Major Heads of Account common to all four Accounts, certain Adjusting or Transfer Heads will be necessary for the record of transactions between Provincial Funds and Local Funds, and Provincial Funds and Imperial Funds. No transfer transactions will be allowed directly between the Imperial Treasury and Local Funds: if any contribution is made from the Imperial Treasury to Local Funds, or *vice versa*, it must be adjusted through the Provincial Accounts in the manner described in the 26th paragraph. Direct payments from a Local Fund to the Imperial or Provincial Treasury for services received—as, for instance, rent of an Imperial or Provincial building occupied by a Local Committee, or interest on an Imperial Loan to a Local Fund—will, however, be treated as Local Expenditure and Imperial or Provincial Revenue, and not as a Contribution or Transfer; such transactions, and any like converse transactions in respect to services rendered by a Local Fund to the Imperial or Provincial Government, will, in short, be dealt with, in the manner described in paragraph 30, as applicable to transactions between Imperial, Provincial or Incorporated Local Funds and Excluded Local Funds. But no transactions between the Imperial and Provincial Governments may be thus dealt with; such transactions may be adjusted only by transfer entries, upon the principle that Provincial Revenue and Expenditure is only a sub-division of Imperial Revenue and Expenditure.

11. Financial transactions between the Provincial and the Imperial Governments are of two kinds:—

First.—Transactions under quasi-contracts, as follows:—

(a) Allotments from the Imperial Treasury for Provincial Services, whether such allotments be fixed, or a share of some Imperial Revenue:

Contributions from Provincial Resources to the Imperial Treasury, as follows:—

(b) Interest on the capital expended by the Imperial Government on Provincial Productive Public Works, or as the Imperial share of the profits from those Works:

(c) The Imperial share of other Provincial Revenues:

(d) In aid of the surplus which the Government of India desires to maintain in ordinary times, to enable it to meet expenditure for counteracting Famine when, periodically, it occurs;

(e) For stamps and stationery supplied from the Imperial stores, the cost of which appears in the General Accounts as Imperial Expenditure.

Second.—Transactions in what may be called mutual aid or support: as when, for instance, the Imperial Government makes a grant to a Provincial Government in aid of, or undertakes, to pay part of the cost of, a particular Provincial work of material improvement the cost of which appears in *Account No. II* as Provincial expenditure; or when, conversely, a Provincial Government contributes, under like circumstances, for an object the charge for which appears in *Account No. I* as Imperial Expenditure.

12. Clearly, all such transactions of either kind might be set against each other, and a single net transfer entry made in the Accounts, without affecting the Surplus or Deficit of the Accounts. Accordingly, in the *General Account No. IV*, no entry at all will be necessary or admissible in respect to these transactions, the whole effect of which, however numerous they may be, and whatever their character, will be adjusted in *Account No. IV* by the entry under *Provincial and Local Surplus or Deficit*.

13. But, in *Account No. II*, such transactions will be recorded gross, under the following Transfer Heads, with corresponding entries in *Accounts No. I* and *No. III*. These Transfer Heads may be conveniently grouped together immediately above the Totals of Revenue and Expenditure.

I.—As Revenue—

(1) *Allotments from the Imperial Treasury:*

(2) *Contributions from Local Funds.*

II—As Expenditure—

- (3) *Contribution on account of Productive Public Works, vis., interest* on Imperial Capital and Imperial share of profit of Productive Public Works:*
- (4) *Imperial Share of other Provincial Revenues:*
- (5) *Contributions for Famine Insurance:*
- (6) *Stamps and Stationery* supplied from Imperial Stores:*
- (7) *Other contributions to the Imperial Treasury:*
- (8) *Contributions to Local Funds.*

14. When, under the option allowed to it in paragraph 5 of Resolution No. 2009, dated 23rd March 1878, a Provincial Government expends Provincial Resources on Productive Public Works, such expenditure will be recorded in *Account No. II* above the Total Expenditure, and will operate to reduce the Provincial Surplus, or increase the Provincial Deficit. But in the *General Account No. IV*, any such Provincial expenditure upon Productive Public Works will be combined with the Imperial expenditure under the Head of *Productive Public Works*, below the Total Expenditure. It is not overlooked that the effect of this arrangement will be, in such cases, to make the remaining Imperial Surplus more, or the Imperial Deficit less, than it would otherwise be, and that this result is open to some objection. But the amounts are never likely to be large; and it seems better to submit to that inconvenience, than to break up the Head of "*Productive Public Works*," and show the Provincial part of the expenditure on such works above the Surplus or Deficit of the year.

15. The *Provincial Account No. II* and the *Local Funds' Account No. III* will, each, begin and end with a balance. No Debt Heads must be admitted to the *Provincial Account No. II*: the separate rights and obligations of the Local Governments extend only to Revenue and Expenditure: in debt transactions carried out under their authority, the Local Governments represent the Imperial Government, and such debt transactions must be recorded in the Imperial Accounts only. But it does not appear possible to dispense with Debt Heads in the *Local Account No. III*: the debt transactions of Local Funds should be entered under a single Head on each side of *Account No. III* below the Total Revenue and Expenditure, and should not appear at all in the *General Account No. IV*, which is an account of Revenue and Expenditure only.

16. The original intention expressed by the Government of India in the second Resolution now read again, was to incorporate in the General Estimates and Accounts the transactions of only those Local Funds which are at the unfettered disposal of the Provincial Governments for provincial uses. It was found, however, that the several Provincial Governments do not exercise the same jurisdiction over Funds of the same character, and that it is not always possible to discover what are the precise powers of a Local Government over a particular Fund. Under these circumstances it appeared that the incorporation of only those Funds which were at the absolute disposal of the Local Governments would produce incomplete and anomalous results. The original intention of the Government of India was, therefore, abandoned, and, by the fifth Resolution recited in the preamble, all Funds of a general character were incorporated, whatever the powers of the Local Government over them.

17. It is, however, important to show, in one Account, the entire Revenues more or less completely at the disposal of each Local Government for provincial purposes, and the expenditure therefrom; and the *Account No. II* now prescribed should be prepared on this basis, *Account No. III* being reserved exclusively for the Local Funds which are not at the free disposal of the Local Government for provincial purposes. Accordingly, each Local Government should determine, in consultation with the local Accountant General, whether any Local Funds may be conveniently transferred to the category of Provincial Funds, in order to the inclusion, in *Account No. II*, of the entire transactions of every Fund heretofore called "Local" which is, from beginning to end, at the disposal of the Local Government for provincial purposes, unfettered by any law or orders of superior authority. The Accountant General will have no difficulty in maintaining, as hitherto, a separate Account of any Fund thus made Provincial, if the Provincial Government thinks that it is not enough to appropriate to it separate Minor Heads under *VI. and 8. Provincial Rules*. A Fund should not be excluded from the category of "Provincial Funds" by reason of its being applicable to some particular service only, as, for instance, Public Works or Education, provided that it may be spent on such service at the discretion of the Local Government throughout the Province, but only if its expenditure is restricted, not only to particular objects, but also to particular Districts or Localities.

18. Further, the balances or particular assets of some Local Funds which it may not be found possible to convert *simpliciter* into "Provincial Funds," and incorporate in *Account No. II*, sometimes become by lapse of time, operation of law, undisputed practice

* Interest paid directly from Provincial Resources, as, for example, on a Provincial Debenture Loan, must be shown in *Account No. II*, not as a Transfer, but as Expenditure under *I. INTEREST ON DEBT*; and the cost of stationery bought in the market with provincial funds, and not procured from the Imperial Stores, must be shown in *Account No. II*, not as a Transfer, but as Expenditure under *24. STATIONERY AND PRINTING*.

or otherwise, applicable, at the discretion of the Local Government, to the whole Province. All such balances and assets should be shown in the *Local Funds' Account No. III* under the Transfer Head "*Contributions to Provincial Funds,*" and in the *Provincial Account No. II* under the Transfer Head "*Contributions from Local Funds.*" Thus, the closing balance of the *Provincial Account No. II* will always be the whole amount at the disposal of each Local Government for expenditure in the Province generally, either at its absolute discretion, or upon some particular services, and the closing balance of the *Local Funds' Accounts No. III*, the amount of public money the use of which is restricted by law or order to special Districts or Localities, and is not at the disposal of the Local Government for expenditure throughout the Province.

19. The transactions of a Fund which is primarily appropriated by law to particular Districts or Localities, should not be excluded from *Account No. III*, and included in *Account No. II*, merely because, as is practically the case with the Local Rates' Funds of the North-Western Provinces, the unspent balances belong to the Province generally. But the transactions of a Fund which, like the Oudh Margin Fund, is not appropriated to particular Districts or Localities at all, or which, like the Calcutta Canals Fund, or the Madras Tolls Fund, is appropriated entirely at the discretion of the Local Government, should be, none the less, excluded from *Account No. III*, and included in *Account No. II*, because, in practice, its expenditure may be confined to some particular services.

20. The really important figures will be the separate balances of the two Accounts. The Government of India quite understand that the balances shown under these orders in *Account No. II*, will not be at the unrestricted disposal of the Local Governments, irrespective of the objects upon which they may be spent: but the restrictions affecting these balances, will be based, not upon law, but upon practice or executive orders; and inasmuch as they will apply chiefly to Public Works, to which object, in practice, almost all the available balances of the several Local Governments are ultimately devoted, it is considered more convenient that balances over which the control of the Local Government is subject to such partial and practically nominal restrictions should be shown in the Provincial, than in the *Local Funds' Account*.

21. Each Accountant General should, as soon as possible, submit for the orders of the Local Government the measures which he suggests for carrying into effect the instructions contained in paragraphs 17 and 18, and, after those measures have been sanctioned by the Local Government, report them, through the Local Government, for the information (and, if necessary, orders) of the Government of India. Moreover, inasmuch as the multiplication of separate Funds of any kind is, *prima facie*, open to great objection, the Local Governments and the Accountants General should bear in mind that no such Separate Fund should be instituted or continued without unavoidable necessity. It should, therefore, be the constant effort of both the Local Governments and the Accountants General to prevent the formation of fresh Funds, and to abolish every Fund which can be dispensed with, either by absorbing it in the general Provincial Revenues, or by amalgamating it with some other existing Fund. Upon this point, attention is invited to Resolution No. 1275, dated 19th June 1877.

22. Nothing contained in the foregoing paragraphs applies to any of those Local Funds of which the transactions were excluded from the Public Accounts by the fifth Resolution now read again. These excluded Funds are as follows:—

Municipal, Cantonment, Port, Town, and Station Funds.

Educational, Dispensary, Hospital and all other Trust or Endowment Funds.

Police Remount Funds.

The Persian Famine Relief Fund; the Pooree Pilgrims' Fund; the Barea Tribute Fund; the Bombay Esplanade Fee Fund; the Bombay Cotton Improvement Fund; the Indus Conservancy and Registration Fund;

and any other Funds which may be especially classed by the Governor General in Council among the "Excluded Local Funds."

23. The adjusting entries in the General Abstract of the *General Accounts and Estimates* published with the Financial Statement of 1878-79, were entitled "*Adjusting Receipts from, and Payments to, Provincial Governments (Provincial Deficits and Surpluses).*" But the entries really, of necessity, included besides the Deficits and Surpluses of Provincial Revenue, the Deficits and Surpluses of Local Revenue, and must be, accordingly, with the sanction of the Secretary of State, amended in future, thus: *Provincial and Local Deficits and Surpluses*. The Surpluses and Deficits brought out upon the separate *Provincial and Local Accounts Nos. II and III* herein ordered will, in the *General Account No. IV*, be brought together under these Heads.

24. But, for reasons analogous to those which dictated the precaution recited in paragraph 4, the Provincial Government must be responsible that no expenditure is permitted from any Local Fund in excess of the balance at its credit. If, accidentally, any such excess expenditure occurs, it must (unless the Governor General in Council authorises its adjustment under some Imperial Head) be balanced at once by a "*Contribution from Provincial Funds,*" which will produce a corresponding reduction of the Provincial Surplus or increase of the Provincial Deficit, and so prevent any untrue credit in the *General Account No. IV* under the Heading "*XXVIII. Provincial and Local Deficits.*" Such contribution

may, if the Local Government think fit, be recovered in a later year, and will, in such case, upon recovery, appear in *Account No. II* as a *Contribution from Local Funds*: but it is contrary to fundamental principles that any sum due from any Local Funds should be recorded as Revenue before it is recovered.

25. In the Public Works Accounts, cognisance will not, in future, be taken of transactions between Provincial and Local Funds, or contributions from the Imperial Treasury to either Provincial or Local Funds, or *vice versa*: all such contributions will be arranged by the Financial Department of the Local Government through the general Civil Accounts: the duty of the Public Works Account Department will be confined to seeing that the expenditure on Public Works from any particular Grant, from whatever source, does not exceed the amount of the Grant. Every Grant by the Local Government for Public Works, must be made either wholly from Provincial Funds, or wholly from some specified Local Fund, any necessary mutual contributions between these Funds on account of the work being arranged in the Civil Accounts.

26. In order to avoid the multiplication of Adjusting or Transfer Heads, it is thought more convenient that all contributions from the Imperial Treasury to Local Funds, or from Local Funds to the Imperial Treasury, should be effected through the *Provincial Account No. II* by additions to, or subtractions from, the *Allotment from the Imperial Treasury for Provincial Services*. Thus if the Imperial Treasury makes a grant to a Local Fund the amount will be added to the *Provincial Allotment*, and, on the opposite side of the *Provincial Account No. II*, to the "*Contributions to Local Funds*," with a corresponding entry in the *Local Funds' Account No. III* under "*Contributions from Provincial Funds*:" *vice versa*, any contribution from a Local Fund to the Imperial Treasury will appear in the *Local Funds' Account No. III* under "*Contributions to the Provincial Treasury*," and in the *Provincial, Account No. II* under "*Contributions from Local Funds*"—the *Allotment* being subjected to a corresponding reduction.

27. It will be necessary for each Accountant General, and Deputy Accountant General in independent charge, for his own Province, and for the Comptroller General, for the treasuries in direct account with him, to prepare separate yearly Statements, as follows, to show how the amounts due to or from each Provincial Treasury under its quasi-contracts with the Imperial Treasury are calculated:—

(A) *The Allotment from the Imperial Treasury for Provincial Services :*

In this Statement must be recorded every addition to the *Allotment*, or reduction thereof, with the proper authority for each entry.

(B) *The contributions from the Provincial Treasury to the Imperial Treasury for Productive Public Works.*

In this Statement must be shown—

- (1) The Imperial Capital Expenditure on Productive Public Works in the Province to the end of the last complete year, on which capital four-and-a-half per cent. must be contributed ;
- (2) The same expenditure during the current year, on which two-and-a-quarter per cent. must be contributed :
- (3) In case the Imperial Treasury has any claim upon the profits from these Works the share of such profit so due, as provided by the contract with the Imperial Treasury in each case.

(C) *Imperial share of Provincial Revenues.*

(D) *Contributions for Famine Insurance:*

These two Statements must contain the data necessary to determine the contributions due from each Government under its contract with the Imperial Treasury.

(E) *Stamps and Stationery supplied to each Government from the Imperial Stores.*

The particulars for entry in this Statement must be obtained from the Superintendents of Stationery.

(F) *Any other Contributions to the Imperial Treasury.*

28. In future, each Accountant General, and Deputy Accountant General in independent charge, will submit, with his Annual Estimates, Accounts and Estimates of A, B, C, D, E, and F as thus prescribed; and also four separate Abstract Accounts and Estimates of the Imperial, Provincial, Local, and Combined Revenues and Expenditure, as ordered in paragraph 8.

29. The instructions contained in this Resolution will involve a modification of the form of Abstract III appended to the Financial Statement for 1878-79, as follows:—

- (1) *Interest on Debt* in that Abstract will no longer be in italics, but, as an ordinary Service Head, in roman letters. At present, the only entries under it will be the interest paid from Provincial Revenues upon Provincial Debenture Loans, or other like Loans, such as the Mathura-Hatras Railway Loan.

- (2) The Transfer Heads specified in paragraph 13 will all be placed together, immediately above the *Totals*.
- (3) If necessary, a Head, *Productive Public Works*, will be introduced above the Total under which will be entered any expenditure from Provincial Resources on Productive Public Works.
- (4) The Abstract will be replaced by two Abstracts, *viz* :—

Revenue and Expenditure of the Provincial Governments and Administrations
and
Revenue and Expenditure, and Receipts and Disbursements, of Local Funds.

Each of these Abstracts will open and close with a balance.

30. None of the orders contained in this Resolution, affect contributions from Imperial, Provincial, or Local Resources, in aid of any of the Excluded Funds specified in paragraph 22, the transactions of which are not incorporated in the *General Accounts*; or, *vice versa*, to contributions from any such Excluded Fund in aid of the Imperial, Provincial, or Local Resources. A contribution to such Funds must be recorded as Expenditure, under the Head appropriate to the object of the contribution, in the Imperial, Provincial, or Local Funds' Account, Nos. I, II, or III, as the case may be, and so in the General Account No. IV, and contributions from such Funds must be shown in the same Accounts as Revenue under the Head "XXI. Miscellaneous," unless some other specific Head appears more suitable.

31. Nor do these orders refer to transactions between one Incorporated Local Fund and another: in respect to such transactions, no fresh instructions are needed.

No. 11.

Government of India, Financial Department, No. 3948, dated 8th November 1878.

The Governor General in Council observes that, under the orders now read, certain expenditure for Civil Stores, which has hitherto been included in the Home Accounts, will be charged in India.

Postal Department.
Telegraph Department.
State Railways.
Forest.
Surveys under Government of India.
Inland Customs Department under Government of India.
Mint, Paper Currency.

2. In order to limit the amount of these payments, for other than the Departments noted on the margin, it is expedient to add fixed sums to the Provincial Assignments of the several Governments and Administrations.

3. The sums charged for Civil Stores in the Home Accounts for the years 1872-73 to 1876-77 are as follows :—

Detail of Grants or Departments.	1872-73.	1873-74.	1874-75.	1875-76.	1876-77.	Average of last 5 years.
	£	£	£	£	£	£
Land Revenue	940	1,743	2,782	2,038	1,916	2,245
Excise ... ..	...	...	359	...	64	141
Customs ... ..	...	...	18	144	11	53
Opium	292	3	264	714	3	327
Law and Justice ... ..	...	43	138	1,207	478	608
Ecclesiastical	42	...	...	156	290	143
Miscellaneous ... ..	...	...	...	...	...	...
Total I. ...	1,274	1,789	3,561	4,259	2,762	3,527
II.						
Salt	34	278	32	192	3,051	1,092
Minor Departments	13,818	14,202	14,236	14,715	12,076	13,676
Political ... ..	...	34	718	296	394	469
Total II. ...	13,852	14,514	14,986	15,203	15,521	15,237
III.						
Stationery, Printing Materials, and Currency Notes	80,303	1,18,718	1,79,286	2,09,031	1,85,729	1,91,349
IV.						
Stamps	8,612	22,913	59,232	35,270	25,130	39,877

Detail of Grants or Departments.	1872-73.	1873-74.	1874-75.	1875-76.	1876-77.	Average of last 3 years.
	£	£	£	£	£	£
V.						
Post Office	7,381	6,866	7,078	9,855	9,823	8,919
Forests	939	98	3,410	418	117	1,315
Mint	7,855	5,609	14,923	25,310	39,605	26,613
Telegraph	92,004	41,006	46,601	47,378	61,447	51,808
	1,04,179	53,579	72,012	82,961	1,10,992	88,655
Marine	65,664	46,281	55,121	80,322	67,220	67,554
Total, V. ...	1,69,843	99,860	1,27,133	1,63,283	1,78,212	1,56,209
VI.						
Famine Relief ... ..	...	12,250	64,157	...	...	21,386
Grand Total ...	2,73,884	2,70,044	4,48,355	4,27,046	4,07,354	4,27,585

The distribution of these sums among the several Governments, Administrations, and Imperial Departments, for the years 1875-76 and 1876-77, is gathered from details of the payments which were obtained from the Secretary of State for India and which have been compiled by the several Local Accountants General. Similar details for 1874-75 have not been obtained except from India; but the omission will not hinder the calculation of the amounts which should be added to the grants in the 1st division of the table on the basis of the yearly average of actuals for, as far as possible, the three years 1874-75 to 1876-77.

4. Of the charges in section I for 1874-75, amounting to £3,561, there occur in the—

	£
Madras Presidency	1,722
Bombay	566
Bengal: Lower Provinces (opium)	264
	2,552
Remainder, not distributed	1,009
Total ...	3,561

The amount not distributed includes £18 under Customs, and £857 under Land Revenue. The sums to be added to the Provincial assignments on account of section I are shown in Statement A attached to this Resolution; the amounts have been reckoned on the average of three years' actuals for the Madras and Bombay Presidencies, and for the Opium Department; and on the mean of two years' actuals for the other Governments and Administrations for which the Local Accountants General concerned have not compiled details for that year. The Comptroller General will now be requested to supply the wanting detail;—should the information necessitate any other than a trifling addition to the amounts now assigned, a supplemental grant will be made to the Governments concerned.

5. The large amount under Salt in 1876-77 occurs in the Bengal Presidency; on the present information, the assignment for the Madras and Bombay Presidencies has been fixed on the basis of three years' actuals.

6. Under Minor Departments the principal amounts are for the Departments noted on

	1874-75.	1875-76.	1876-77.
	Rs.	Rs.	Rs.
Surveyor General's Department	625	1,285	4,153
Mathematical Instruments	8,544	10,204	4,312
Great Trigonometrical Survey	827	4,107	1,274
Geological Survey	11	...	34
Meteorological Department ... ..	...	109	...
Other Minor Departments under Govern- ment of India	1,564	167	4
	11,571	15,822	9,777
Other Governments and Administrations.	2,665	*1,107	2,299
	14,236	14,715	12,076

* Explanation of this item will be obtained from the Account Officers.

the margin. The amount to be distributed to Provincial assignments is the yearly average of the sums entered against other Governments and Administrations. On the information at present available, the requisite additions have been made for the Madras and Bombay Presidencies, and for Bengal, North-Western Provinces, and Punjab, to the amount, in the aggregate, of £797; the remainder will be distributed on receipt of further details from the India Office. The addition at present made for the next head, Political, is for the Bombay Presidency.

	Rs.
* Bengal	4,48,000
North-Western Provinces and Oudh	1,08,000
Punjab	83,000
Central Provinces	69,000
Bombay	2,29,000
British Burma	25,000
Assam	24,000
	9,86,000

†Postal Department.
 Telegraph Department.
 State Railway Department.

7. Under Stationery, sums have been already assigned to the Governments noted on the margin,* on the basis of actual issues of the Stationery Department for five years, to various Departments other than the Imperial Departments noted on the margin.† On the same basis and data the sum of Rs. 3,96,000 is now added to the Provincial assignment of the Madras Presidency.

8. The expenditure for currency notes, supplies of which will continue to be obtained from the India Store Department, and for printing materials, so far as it is not already included in the Provincial assignments, will continue an Imperial charge.

9. Stamps will continue to be obtained through the India Store Department; for the heads in Section V of the table, fixed assignments are not necessary, and for some of those detailed in the margin of paragraph 2, assignments will be fixed, as far as practicable, on data being accumulated, as stated in paragraph II of the separate Resolution of this date, No. 3947.

10. The result in Statement A, appended to this Resolution, is that but little remains to be added to the Provincial assignments of the several Governments and Administrations, and this fact should stimulate a vigilant check of the expenditure and control of the requisitions for books and stores.

No. 12.

Government of India, Financial Department, No. 1522, dated 9th April 1879.

In acknowledging the receipt of your letter No. 566, dated the 17th February last, I am directed to inform you that the Hon'ble the President in Council has decided that as the Salt Revenue, excepting fines and forfeitures, is Imperial, all charges for manufacture and storage of salt in the Bombay Presidency shall be treated as Imperial; likewise, agreeably to this decision, all past adjustments made by the local Accountant General under the head of Provincial Services will have to be reversed.

No. 13.

Government of India, No. 410, dated 1st May 1879.

By the Resolution of the 9th November 1878, the Governor General in Council urged on the several Local Governments and Administrations the necessity of reducing the ordinary expenditure of the country within the narrowest possible limits. It was directed that measures should be taken for suspending or postponing all optional expenditure, whether Imperial, Provincial, or even from Local Funds, and that no proposals for increases of salaries or establishments should be entertained without real necessity. His Excellency in Council does not doubt that earnest attention has been given to those instructions, but it has now become requisite to repeat them in still stronger and more definite terms.

2. The Government of India has repeatedly declared it to be necessary, in ordinary times, that a surplus of Revenue over Expenditure of not less than £ 2,000,000 should, each year, be provided to furnish the means of protecting the country against famine, and to leave a margin to meet unforeseen contingencies. Less than a year ago, it appeared that this object had been attained; but the expectations then expressed by the Government in regard to the satisfactory condition and prospects of the finances have, during the last few months, been dispelled. The Financial Statement, published with the Resolution of the 12th March 1879, shows an estimated deficit of Revenue compared with the estimated Ordinary Expenditure in 1879-80 of £1,395,000.

3. In paragraph 265 of that Resolution the true surplus, apart from the War in Afghanistan, is estimated at £813,000, being £1,187,000 less than the required surplus of £2,000,000.

4. Although other causes for anxiety are not wanting, this unfortunate change in the financial position of the Government may be considered wholly due to the state of the Exchange with England. The estimated loss by Exchange for the current year would, if provision were made to cover the whole of the Home charges, be £4,140,000, an amount exceeding by more than £1,000,000 the entry under this head in the Budget Estimate for the year which has lately closed, and it is impossible to say that this loss will not continue and go on increasing.

5. The task is serious of dealing with a difficulty of so indefinite a character, and one of which the causes are so entirely beyond the control of this Government; but the Governor General in Council is resolved to spare no efforts to maintain the finances of the Empire in a completely satisfactory condition.

6. Apart from other measures which may become unavoidable for increasing the Public Revenues, it is obviously necessary that all practicable limits should be placed on the Public Expenditure.

7. It has been shown, on former occasions, that during the last ten years there has been a very large reduction in the net Civil Expenditure of the Empire. Excluding Famine Relief and Loss by Exchange—an element, as just stated, beyond control—that reduction has not been less than £1,500,000 a year. Still further reductions must now be made.

8. The Public Expenditure, excluding that incurred from Local Funds, is now divided into two branches, Imperial and Provincial, for which the Government of India and the Local Governments and Administrations are respectively responsible.

9. The Military charges constitute the most serious part of the Imperial obligations, but the present Resolution is not intended to refer to them; and His Excellency in Council will now only say regarding them that he is fully alive to the urgent and paramount duty which rests on the Government of India of striving to the utmost of its power to reduce the Military Expenditure within the narrowest limits consistent with the public safety. His Excellency in Council knows that the Government of Her Majesty feels no less anxiety in this matter.

10. In respect to the Civil Expenditure, excepting the charges on account of the Public Debt and other Heads of Service, which, as they concern the Empire at large, have been retained under the management of the Supreme Government, the greater portion of the Ordinary Civil Expenditure of British India is now mainly entrusted to the Provincial Governments. With regard to that part of this Expenditure, which is under his more immediate control, and, in particular, the expenditure on the central establishments of the Supreme Government, the Governor General in Council is taking the most effective means in his power to obtain every possible economy. He has now again to notify to the several Departments under the Government of India that no increase of the Public Expenditure will be allowed which is not essential and unavoidable; and it will be the immediate duty of every Department to make, without delay, a searching review of the whole of the charges under its control. Unless positive necessity exists, no improvements in administration, however desirable, must be undertaken, if they involve increased charges; no fresh establishments must be entertained; no new offices must be created; no new works, which it is possible to postpone, must be commenced.

11. The policy thus announced, in regard to the expenditure under the immediate control of the Government of India, must, the Governor General in Council regrets to say, be extended also to the Provincial Governments and to the Provincial Services. The policy of maintaining Provincial responsibility for the management of Provincial Finances inaugurated by the Government of India, in December 1870, has now been in course of development for nine years, with a success which has equalled the most sanguine expectations of its authors. It has led to greatly increased efficiency in many of the chief branches of the public service, to the development of the revenues without addition to the public burdens, and to economy in expenditure. It was one important object of that policy that the normal and obligatory administration of the country should be, as far as possible, shielded from the effects of ordinary vicissitudes affecting the Imperial Finances; and during the last nine years, notwithstanding the serious financial pressure that has often been experienced, as for example that caused by the Famine in Bengal in 1874, by the Famine in the Madras and Bombay Presidencies in 1876 and 1877, and by the present War on the Frontier, the Governor General in Council has left at the disposal of the Provincial Governments, without diminution, the whole of the Resources assigned to them.

12. The pledge, however, originally given and subsequently repeated by the Government of India, that no fresh Imperial demand would be made on those Resources, has always been declared subject to the condition that, if some great fiscal misfortune or urgent national necessity should occur, it might become unavoidable to call on the Provincial Governments to sacrifice for the relief of the Empire generally some portion of the Revenues allotted to them. The anxiety of the Government of India not to exercise this power and to interfere in no way with the free development of the system of Provincial Finance, has been amply proved in the past; and no one will doubt the reluctance with which His Excellency in Council now contemplates the necessity of inviting the Provincial Governments to give him their assistance in obtaining necessary relief to the Imperial Treasury and in averting, so far as may be possible, the necessity of imposing fresh burdens, whether Imperial or Provincial, on the country. But the unforeseen fiscal misfortune which has befallen British India in the disturbance of the relation formerly existing between the values of Silver and Gold, is more serious than any of those difficulties which it has hitherto been necessary to meet. It is more indefinite in extent, and may be more lasting; and, as already observed, the causes which led to it, and which are still in operation, are altogether beyond the control of this Government. The Governor General in Council is most unwillingly forced to the conclusion that it has become necessary to make a revision, which he trusts may be only temporary, in the existing arrangements with the Local Governments, and this revision must involve some reduction of the resources now at their disposal.

13. Nothing is further from the intention of His Excellency in Council than to interfere in any way with the principles of the policy which has for some years past been followed

with such signal success. He feels, indeed, that the emergency which has now occurred affords another and one of the strongest possible proofs that this policy is wise. But for this policy, he believes that the reductions of the public expenditure, which must now be made, would have hardly been practicable. This, at least, is certain that they will be carried out with far greater ease, and in a far more satisfactory manner, by the Local Governments than would have been possible under a system by which the Government of India attempted minutely to supervise all the details of the administration. In preparation for a contingency which must be regarded as imminent, the Governor-General in Council is compelled to direct that the prohibition of every avoidable increase of expenditure must extend not only to all Imperial Services but to all Provincial Services also. The chief reductions in every Province will doubtless be made in the expenditure on Public Works. Without in any way contemplating greater restrictions on the power of the Local Governments in future than have been exercised under the rules actually in force, the Governor General in Council, as a temporary measure, and with the object of preventing fresh avoidable expenditure until further arrangements can be settled with the Local Governments, thinks it necessary to direct that no new work estimated to cost more than Rs. 2,500, shall be commenced at the cost of Imperial or Provincial Funds, even though it may already have received the sanction of the Government. If, for some special reason, a Local Government desires that this order should in any case be relaxed, it will be at liberty to represent the circumstances to the Government of India. The same rule will be applicable to all Departments under the immediate administration of the Supreme Government.

14. The present Resolution is intended chiefly to refer to the ordinary expenditure; but it has been decided to make large reductions in the expenditure on Productive Public Works also. On this subject, further orders will be issued.

15. His Excellency in Council knows that he may confidently trust in the loyal co-operation of all the Local Governments and Administrations in giving effect to the instructions contained in the present Resolution. The Governor General in Council will immediately place himself in communication with the several Local Governments and Administrations, and will consult them in regard to the particular measures which should be adopted for effecting the objects which have now been stated. It will be the duty of the several Officers of Audit and Account to remind the Local Governments of this Resolution, whenever it seems necessary.

No. 14.

Government of India, Financial Department, No. 1204, dated 14th June 1879.

In reply to your letter No. 1685, dated 29th March, I am directed to say that the pass duty which has been paid on opium bought for consumption in the Bombay Presidency is undoubtedly part of the Excise Revenue, and should, accordingly, be recorded in the Public Accounts from the beginning of the current year 1879-80, under IV. Excise and not under IX. Opium. Instructions will be issued to the Accountant General accordingly.

2. It will be necessary, however, to readjust the Provincial allotment in the manner and for the reasons given in the 2nd para. of Mr. Gay's report, No. ^B₁₇₆₉₈, dated 12th instant.

3. The Accountant General will, accordingly, be called upon to submit the figures of the Excise Revenue for the years 1872-78, revised as they would have been, if the whole pass duty levied on opium consumed in Bombay, whether purchased in Bombay or elsewhere, had been credited, as it ought to have been credited, under IV. Excise. The Government of India will then be in a position to settle with the Government of Bombay the reduction of the Provincial assignments which should follow upon the decision contained in this letter.

No. 15.

Government of India, Financial Department, No. 2076, dated 5th August 1879.

In the correspondence marginally* noted, it has been settled among other arrangements that, in consequence of the existing financial necessities, the Provincial assignments of Bombay shall be reduced in 1880-81 by Rs. 8,00,000, and further that any savings effected by the reduction of the Provincial Public Works Establishments shall accrue to the Imperial Treasury.

2. I am accordingly directed to say that the special restrictions enjoined in Resolution No. 410, dated 1st May 1879, are now withdrawn so far as they affect the Government of Bombay, which may, for the present, regulate its provincial expenditure in all departments at its discretion, subject only to the general rules and restrictions which govern that expenditure. The Governor General in Council, however, thinks it desirable to ask His Excellency the Governor in Council to bear in mind that the Government of India cannot now guarantee

any of the Local Governments against retrenchment of their Provincial assignments for 1881-82, and subsequent years. Although there will be every desire on the part of the Government of India to interfere to the least possible extent with the arrangements formerly made, and to make no retrenchment that it is possible to avoid, His Excellency in Council sees too much reason to apprehend that continued retrenchments may be necessary, unless the exchange with England should improve. Under these circumstances, His Excellency the Governor in Council will, the Government of India has no doubt, take care that in the management of the Provincial finances such a contingency is always kept in view.

No. 16.

Extract para. 3 of a letter from the Government of India, Department of Finance and Commerce, to the Government of Bombay, No. 2140, dated 8th August 1879.

Para. 3. The Government of India has determined not to refuse to bear three-fourths of the cost of the Line which the Government of Bombay has, after deliberation, awarded to be properly due from it. But it will be more convenient that the cost of the whole Line, so far as it is maintained, should be recorded under the Imperial Head 10 SALT, the share of its cost, which falls upon Provincial Revenues, being deducted from the Provincial assignment.

No. 17.

Government of India, Financial Department, No. 2457, dated 27th August 1879.

The Governor General in Council sanctions the addition to the Bombay Provincial assignment of Rs. 1,18,000 for the current year, and of Rs. 40,000 annually, with effect from the 1st April 1880, to meet the amount of compensation payable to the Nawab of Cambay for the suppression of the manufacture of salt within his State.

No. 18.

Government of India, Financial Department, No. 3051, dated 6th October 1879.

In reply to Office Memorandum from the Public Works Department, No. 341 A. G., dated 4th August 1879, the undersigned is directed to observe that in Resolution No. 626, dated 3rd February 1871, the Governor General in Council remarked that no Travellers' Rest-house ought to be maintained from Imperial Funds excepting in Foreign States. The cost of the maintenance of such Rest-houses was to be a Civil, not a Public Works charge. Rest-houses in British India were to be maintained from Local Funds. It was not said that the cost of such Rest-houses was to be a Public Works charge. But, upon the whole, it seems reasonable that the cost should be a Miscellaneous Civil charge, and this may now be arranged.

No. 19.

Government of India, Financial Department, No. 925, dated 3rd June 1880.

The Governor-General in Council has sanctioned an addition of Rs. 24,297 to the Bombay Provincial allotment, with effect from 1880-81, to cover an equivalent expenditure on account of Chaplains and Church Establishments attached to Political Agencies and Residencies, expenditure under these heads having now been transferred from "26 Political" to "23 Ecclesiastical."

No. 20.

Government of India, Financial Department, No. 927, dated 7th June 1880.

The Governor General in Council is pleased to sanction an addition of Rs. 24,000 to the Bombay Provincial allotment from 1879-80 to cover the excess expenditure caused to the Provincial Revenues, in consequence of the incorporation of the receipts and charges of the State of Peint in the General Receipts and Charges of the Presidency of Bombay.

It will be observed that the addition made is in excess of the amount asked for by the Provincial Government, as half the outlay on roads and communications is included therein, it being a proper item of charge on the Provincial Revenues.

No. 21.

Comptroller General's No. 798, dated 9th July 1880.

I have the honor to say that it has been decided that the values of Stamps and Stationery supplied from the Central Store should, from 1879-80, be debited separately under "12 Stamps" and "25 Stationery and Printing." The amounts should be shown distinctly in your accounts current with the Treasury Account Branch of my office to be adjusted there by deduction from those two heads.

No. 22.

Government of India, Financial Department, No. 1162, dated 15th June 1880.

I am directed to acknowledge the receipt of your letter No. 911, dated the 11th March 1880, submitting proposals for the unification and re-distribution of the Establishments of the Political Agency in Rewa Kántha and the charge of the Panch Maháls.

2. The Governor General in Council sanctions the proposed arrangement, subject, as regards the new appointment of a Native Political Assistant for Rewa Kántha, to the approval of the Secretary of State.

3. The Governor General in Council also approves your proposal that the entire charge for the amalgamated establishment be debited against Provincial Funds, the assignment for Provincial Services being increased by an amount corresponding to the charge for Rewa Kántha, hitherto shown under the Imperial head "Political."

4. Before the amalgamation the yearly charge for the Rewa Kántha Agency was Rs. 25,152, and the total cost of the separate establishments Rs. 69,533. By the amalgamation a saving of Rs. 10,037 will be effected in the total cost. It appears to the Governor General in Council that the Imperial Revenues should participate rateably in this saving, and that therefore the charge for Rewa Kántha should now be considered as Rs. 21,521. Taking account of the charge for the Rewa Kántha prisoners, His Excellency in Council decides to add a round sum of Rs. 22,000 to the Provincial assignment, on account of the charges of the Rewa Kántha Agency.

No. 23.

Government of India, Financial Department, No. 310, dated 29th June 1880.

I am directed to acknowledge the receipt of your letter No. 1385, dated the 14th ultimo, bringing to notice that the sum of Rs. 40,000 allotted to Provincial Revenues on account of the changes recently effected in the system of Medical Administration in the Bombay Presidency is not sufficient to provide the Office establishment required by the Surgeon-General, and asking for an additional assignment of Rs. 9,072 per annum for this purpose.

2. In reply, I am to say that the Governor General in Council sanctions an extra grant equal to the amount of savings effected in the Military Budget, but His Excellency in Council does not wish that the new arrangement should cause any increase, but rather a decrease in the existing number of clerks.

No. 24.

Bombay Government No. 2297, dated 30th June 1880.

Resolution of Government in the Revenue Department, No. 3093, dated 16th June 1880—
Sanctioning the writing off of the sum of Rs. 63,692-6-0, being the amount of irrecoverable balance of the advance made to the settlers of the Talavia Settlements in the Hálol Táluka of the Panch Maháls Collectorate.

RESOLUTION.—Confirmed.

No. 25.

Bombay Government No. 2757, dated 30th July 1880.

Under the opinion now expressed by the Political Resident at Aden, a copy of whose report should be forwarded to the Military Department, Government approve of the recommendation of the Controller of Military Accounts and sanction the transfer of the Láhej Garden from the charge of the Civil to that of the Military Department.

2. The entire receipts and charges of the Láhej Garden may be treated as belonging to the Military Department with effect from 1st April 1880.

No. 26.

Comptroller General's No. 1093, dated 25th August 1880.

In reply to your letter No. $\frac{A. G.}{248}$, dated 9th July 1880, regarding the adjustment of a charge of Rs. 2,657-1-11 incurred in Bengal on account of books and periodicals obtained from Calcutta by the Government of Bombay, I have the honor to state that the expenditure should be treated as a charge of the Government of Bengal, but an equivalent amount may be added to the assignment from the Imperial Treasury for Provincial Services in Bengal for 1879-80, and the Accountant General, Bombay, has been requested to make a corresponding reduction in the balance at credit of the Bombay Provincial Services on 31st March last.

No. 27.

Government of India, Department of Finance and Commerce, No. 2801, dated 15th September 1880

I am directed to say that the Governor General in Council approves of the orders of the Government of Bombay, directing that the receipts from fees levied for drawing and selling toddy should be credited to "Excise on Spirits and Drugs" and not to "Land Revenue."

2. As, however, the former head is "Provincial" and the latter "Imperial," this arrangement will necessitate a reduction of the Assessment for Provincial Services corresponding to the amount thus transferred. From a statement furnished by the Accountant General, it appears that the fees for drawing and selling toddy credited to "Land Revenue" were Rupees 37,294 in 1877-78 and Rupees 33,395 in 1878-79. The Governor General in Council proposes therefore to reduce the Assessment by Rupees 33,000 a year, and desires me to enquire whether the Government of Bombay agrees to this proposal.

No. 28.

Government of India, Financial Department, No. 3520, dated 27th October 1880.

Under this Rule all Revenue and Expenditure is recorded at once in the Accounts of the Province within which it is collected or incurred without any reference to its origin or object. No inter-provincial adjustments are allowed.

2. This procedure has been found to be often distasteful to the Local Governments, and to militate against the economical management of the Provincial finances.

3. The Governor General in Council has, accordingly, resolved that charges of all kinds, including Pensions, Salaries, Absentee Allowances and Contingencies incurred by one Provincial Government on behalf of another, or by a Provincial Government on behalf of the Imperial Government, or by the Imperial Government on behalf of a Provincial Government, shall be defrayed by the Government on behalf of whom they are incurred, saving that in order to save trouble, such adjustments must be confined to items which are either recurring or exceed Rs. 100.

4. This decision will not involve any change in the existing procedure of the Public Accounts, in which the transactions in question will be finally recorded, as now, where they occur, and not transferred to the Accounts of other Provinces.

5. The desired relief to the Disbursing Governments will be afforded through a Clearing Account, to be kept by the Comptroller General outside the Public Accounts as follows:—

An Accountant General, making a claim upon another Accountant General, or upon the Comptroller General, under this Resolution, must, in the first instance, obtain the consent of the Accountant General against whom the claim is made, and communicate it to the Comptroller General. The Comptroller General will keep an Account of all the claims thus established by and against each Government, during the year, including the Imperial Government, and, at the end of each year, clear these Accounts, once for all, by mutual adjustments of the Provincial Balances.

6. It is believed that the introduction of this system will not cause any such disturbance of the relative burdens of the several Local Governments as to necessitate any preliminary re-adjustment of the Provincial Assignments. It would be difficult to ascertain the facts requisite for such re-adjustments.

7. The Governor General in Council is willing to allow a like inter-provincial adjustment of the Revenue collected in one Province on account of another, as, for example, the Excise Duties levied in one Province on articles consumed in another. His Excellency in Council is, indeed, in favour of such adjustments, if they can be arranged. But such adjustments of Revenue cannot be authorised until the Local Governments, whose Provincial

finances would be affected, agree among themselves upon the preliminary re-adjustment in this respect of their Provincial assignments, and as to the conditions which shall attend the prospective mutual adjustment of their Revenues.

8. The Governor General in Council will be glad if the several Local Governments will endeavour to arrange these preliminaries among themselves.

9. It is to be clearly understood that the present orders do not affect any Imperial Revenue or Charge. No Inter-provincial or Inter-departmental adjustments of such charges are allowed.

No. 29.

The Comptroller General's No. 1594, dated 8th November 1880.

With reference to the Journal entry quoted in the margin, forwarded with your letter

XX. STATIONERY AND PRINTING.	
27,695-8-0 Stationery Receipts, Provincial.....Dr.	
To, _____	
XX. STATIONERY AND PRINTING.	
Stationery Receipts, Imperial, Rs. 27,695-8-0— value of Stationery supplied to the Hyderabad administration erroneously credited to Provincial instead of Imperial Receipts now written back.	
In 1878-79... ..	...Rs. 12,815 3 11
1879-80... ..	... „ 14,880 4 1
Total Rs. 27,695 8 0	

No. ^{C. B.} 11384, dated 7th ultimo, writing back certain erroneous credits amounting to Rs. 27,695-8-0 to Provincial Services under the major head XX. Stationery and Printing during 1878-79 and 1879-80 for recoveries made from Hyderabad for

value of Stationery supplied which should properly have been credited to Imperial Revenues, I have the honour to say that as the total credit under the minor head "Stationery Receipts, Provincial," subordinate to XX. Stationery and Printing during 1879-80 is only Rs. 15,549-0-2, the better course will be to reduce the Bombay Provincial allotment of the year by the amount of the erroneous credit of 1878-79, viz., Rs. 12,815-3-11, and write back only the amount erroneously credited in 1879-80, Rs. 14,880-4-1, by debit to Stationery receipts, Provincial, and per contra credit to Stationery receipts, Imperial.

The Journal entry referred to above has been corrected accordingly, and I request that you will make the required reduction from the Provincial allotment in the revised statement called for in paragraph 9 of my letter No. 1423, dated the 7th October last.

No. 30.

Government of India, Financial Department, No. 503, dated 2nd February 1881.

I am directed to acknowledge the receipt of your letter No. 8722, dated the 10th December 1880, asking for an addition of Rs. 1,200 to the Provincial assignment to cover the additional charge on account of the house-rent allowance of the Secretary to the Surgeon-General with the Government of Bombay.

2. By my letter No. 1376, dated the 25th March 1880, the sum of Rs. 40,000 was added to the Provincial assignment from 1880-81 on account of the pay of the Surgeon-General and his Secretary.

This sum was made up as follows :—

Pay of Surgeon General at Rs. 2,500 a month	... ..	...Rs. 30,000
Pay of Secretary at Rs. 800 a month	... ..	... „ 9,600
Add to get round thousands	... ..	... „ 400
		40,000

The Governor General in Council therefore sanctions an additional allotment of Rs. 800 a year.

No. 31.

Government of India, Financial Department, No. 695, dated 17th February 1881.

The Governor General in Council is pleased to accept your proposal to reduce Bombay Provincial assessment by Rs. 28,000 a year with effect from the beginning of 1878-79 in consequence of the transfer from "I. Land Revenue" to "IV. Excise on Spirits and Drugs" of the fees levied for drawing and selling toddy in the Bombay Presidency.

No. 31a.

Extract from Government of India, Financial Department, No. 1496, dated 5th April 1881.

The entries under "Compensation for the abolition of rights in connection with A'bkári Revenue" have been removed from "6 Excise" to "27 Allowances and Assessments, &c."

No. 32.

Government of India, Financial Department, No. 1332, dated 25th June 1881.

Additional grant of Rs. 2,366 for the year 1881-82, for the work of copying the frescoes in the Ajanta Caves, has been sanctioned in Government Order, Home, Revenue and Agricultural Department, No. 279, dated the 17th June 1881.

No. 33.

Government of India, Financial Department, No. 1737, dated 14th July 1881.

I am directed to acknowledge the receipt of your letter No. 2791, dated the 18th May last, requesting that the principles of general policy indicated in my letters Nos. 3495 of 30th October 1880 and 960 of 5th March 1881 in declining sanction to the extension of the Khárágóra Salt-works may be reconsidered, and that the Government of Bombay may be allowed the means of satisfying the strong demand that exists for Khárágóra salt.

2. It appears from the 4th paragraph of this letter that the Government of Bombay is under a misapprehension as to the general policy of the Government of India in respect to the administration of the salt monopoly. That policy may be thus described. That the whole of the duty levied on Salt should be clear profit to the State, but that the profit of the State should be limited to the duty, and that the cost of manufacture and supervision should be recovered, outside the duty, but not more than recovered, by the price charged to the wholesale dealer at the works or depôts. This is in the main the policy urged by the Government of Bombay in paragraph 5 of the letter under reply. Throughout this correspondence the only question really at issue has been whether it was worth while to incur a heavy expenditure in order to increase the supply of a particular class of salt. In my letters of October 7th, 1880, and March 5th, 1881, the particular reasons were stated, which on review of the facts of the case weighed, in the opinion of the Government of India as then advised, against the outlay of so heavy an amount as two lakhs of rupees which was involved in the proposal of the Bombay Government to extend the Khárágóra works. Since the transfer of the salt sources in Rájputána to the exclusive control of the British Government, there has always been an ample stock of salt available for the tract of country for the supply of which an extension of the Khárágóra works was proposed, and it was expected that with the extension of the Railway system in Rájputána and Central India, salt from these sources would be supplied in abundance to the markets of Central and Northern India and much more cheaply than Bárágára Salt could be laid down in them. On the other hand the anticipated scarcity of salt in Gujarát, owing to the insufficient supply to be obtained from the Khárágóra works, appeared on examination to arise, not from any insufficiency in the aggregate production of those works to meet the local consumption, but from the circumstance that no steps had been taken to reserve a sufficient quantity for that consumption before allowing large exportations of the salt to distant parts of India. These considerations induced the Governor General in Council to question the expediency of carrying out at heavy cost a measure the necessity for which was not apparent, and, before incurring any additional expenditure at Khárágóra, to wait and observe the effect of the Railway extensions above referred to on the trade in Rájputána salts.

3. It is now represented in your letter that the result of the non-extension of the Khárágóra works as proposed by the Bombay Government in 1879 has been a loss of ten lakhs of rupees, being the duty on 400,000 maunds of salt which would otherwise have been sold. It is also urged that under fair conditions or where cheapness of salt and preference of consumers meet on equal terms Bárágára salt may be expected to hold its own even if the Railway line be extended to Neemuch and a depôt for the sale of salt opened there. The Governor General in Council never intended that the outturn at Khárágóra should be restricted absolutely to what was necessary for local consumption, but merely that the local demand should be fully met first, and that thereafter the surplus might be exported. With this reservation and in view of the importance which the Bombay Government appear to attach to this matter, His Excellency in Council is now prepared to accept the statements and anticipations of the Government of Bombay in regard to the supply and sale of Bárágára salt beyond the local limits.

4. A new question for consideration has, however, arisen out of the transfer of the Daman salt-works to the British Government under the Portuguese Treaty. From para-

graph 51 of the British Delegate's second Progress Report, it appears that these works produced 157,455 maunds during the season to which he referred. Some old salt was probably taken over under the Treaty. A large annual production, together with a considerable surplus stock in hand, have therefore to be disposed of, either by displacement of Bārāgara salt locally consumed or otherwise, and His Excellency is of opinion that except with effectual provision to this end, an extension of the Khārāgora works would be objectionable.

5. I am to state therefore that the Governor General in Council will not further require that the extension of the Khārāgora works should be deferred, and His Excellency the Governor in Council may accordingly take the necessary steps for their extension in the manner proposed in your letter No. 4413, dated 22nd August 1879, provided that before actually incurring any expenditure,

(a) the Government of Bombay will satisfy itself after careful enquiry that there is no apprehension of failure in the supply of brine in the springs either in Oru or Khārāgora, and that

(b) satisfactory arrangements are effected for the regular disposal of the Daman salt. A report on these points should be submitted to the Government of India.

6. It is understood from your letter of 22nd August 1879 that the construction of the new pans at Oru and of a tramway connecting them with the main works at Khārāgora would require an initial expenditure of Rs. 2,00,000, and that there will also be a recurring annual expenditure of Rs. 7,860 on account of establishments for the new works. The first item will be granted from Imperial revenue. To meet the second an addition to the Provincial assignment was solicited in paragraph 7 of your No. 4413, dated August 22nd, 1879. Additions have similarly been asked for to meet the annual charges of the Sukkur and Dilyār Salt depôts. The total annual increase amounts to Rs. 12,924 per annum. His Excellency in Council observes that during the three years 1878-79 to 1880-81 there has been on an average a saving of Rs. 8,314 per annum on the Provincial grant, which is, strictly speaking, available as far as it will go towards meeting the proposed increase. Under all the circumstances, however, an addition of Rs. 10,000 per annum will be made to the Provincial grant.

7. Referring to paragraph 8 of your letter, I am to say that His Excellency the Governor General in Council has no wish to press upon the Bombay Government the suggestion made in my letter of March 5th, 1881, in respect to the sale of surplus stocks by auction if the local authorities consider the adoption of this system objectionable.

Telegram from the Government of India, Department of Finance and Commerce, dated 8th August 1881—

Your telegram of to-day. In consideration of assurance now received, expenditure on Khārāgora extensions is sanctioned.

No. 34.

Government of India, Financial Department, No. 2095, dated 30th July 1881.

The Governor General in Council sanctions a further addition of Rs. 8,872 to the Provincial assignment of the Bombay Presidency for the Office Establishment and Contingent expenses of the Surgeon-General with the Government of Bombay. The amount is calculated thus—

	ESTABLISHMENT.	Rs.
8 Clerks	8,160
* 6 Inferior servants	432
Contingent charges	760
		<u>9,352</u>

DEDUCT—

Available balance of a sum Rs. 768 permanently added to the Provincial assignment in 1874 on account of the Marine Branch of the Office of the Deputy Surgeon-General, Presidency Circle	480
	<u>8,872</u>

No. 35.

The Comptroller General's No. 1112, dated 5th September 1881.

Charges incurred by Bombay on behalf		of—		Ra. a. p.	
India	8,785	3 8
Central Provinces	13,665	12 9
Bengal	9,180	10 0
North-West Provinces and Oudh	26,787	4 10
Punjab	26,899	14 11
Madras	2,788	14 6
				<u>88,107</u>	<u>12 6</u>
Charges incurred on account of Bombay		by—		Ra. a. p.	
India	116	10 8
Bengal	4,005	4 8
Punjab	634	0 0
				<u>4,755</u>	<u>15 4</u>
				<u>83,351</u>	<u>13 2</u>

In accordance with Financial Department Resolution No. 3520, dated the 27th October 1880, I have the honour to request that you will increase the allotment of your Province for 1880-81 by the sum of Rs. 83,351-13-2, being the net amount to be credited to Bombay on account of charges incurred by Bombay on behalf of other Governments and Administrations during 1880-81 and *vice versa*.