G.F. 78. Books 138-139 Finance DEPARTMENT,

Paper taken out of the Records from the charge of the Reference.

Press / Miscellaneous / Routine No. 1183 dated 21-8 1873.

Date taken out.	For what purpose. Department.	C. No.	Year.	Initials of clerk taking the paper or of attender.	Date returned.	Initials of attender.
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1871-72

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Finance 1183 (S.C)

21-8-1873

Books 138-139 13/14

3. It provided for the division of
ment of a Local Fund Board in each
to roads and communications, educatio
dispensaries, and choultries; and for
1 Anna in the Rupee on the rent-value
roads, etc.), a house-tax (to be spent, in
be spent on roads). The house-tax w
villages where a school existed or was

4. In their Order, dated the 9th
Government divided the Presidency in
at the rates shown in the following stat

District.	Tesl
Ganjam	Chet Chica
Vizagapatam	Viza Narsi
Godavery	Cocan Rajah
Kistna	Masul Gunto
Nellore	Nellor
Bellary	Pathe Penna
Kurnool	Goot Kurno
Cuddapah	Cudd Madan
Chingleput	Sydap Coing
North Arcot	Chitto Vellor
South Arcot	Cudda Virud
Tanjore	Tanjo Negap
Trichinopoly	Trichi
Madura	Madu Dindig
Tinnevelly	Tinne Sherm
Coimbatore	North South
Salem	Salem Oosso
Nilgiris	Nilgir
Malabar	Calicu Tellich
South Canara ...	Canara

5. The new rates of land-cess we
beginning of the Fasli year.

6. In G. O., dated 28th April 187
propounded for establishing "Unions"
tually to be divided into groups of villag

...of the Board of Revenue, dated 25th

...ng reports:—

...District, dated	8th June	1872, No.	122.
,, ,,	15th July	,, ,,	769.
,, ,,	16th Sept.	,, ,,	1,083.
,, ,,	27th June	,, ,,	67.
,, ,,	20th July	,, ,,	79.
,, ,,	22nd Aug.	,, ,,	2,202.
,, ,,	27th May	,, ,,	249.
,, ,,	25th Sept.	,, ,,	159.
,, ,,	10th Oct.	,, ,,	342.
,, ,,	23rd Aug.	,, ,,	819.
,, ,,	4th July	,, ,,	18.
,, ,,	13th ,,	,, ,,	25.
,, ,,	28th Sept.	,, ,,	495.
,, ,,	13th Aug.	,, ,,	876.
,, ,,	26th June	,, ,,	79.
,, ,,	10th July	,, ,,	81.
,, ,,	5th Sept.	,, ,,	325.
,, ,,	17th ,,	,, ,,	347.
,, ,,	21st June	,, ,,	68.
,, ,,	11th July	,, ,,	197.
,, ,,	4th Oct.	,, ,,	18.
,, ,,	11th June	,, ,,	243.
,, ,,	29th ,,	,, ,,	272.
,, ,,	10th ,,	,, ,,	22.
,, ,,	26th July	,, ,,	33.
,, ,,	30th Aug.	,, ,,	27.
,, ,,	,, July	,, ,,	449.
,, ,,	12th Aug.	,, ,,	510.
...ra ,, ,,	3rd Sept.	,, ,,	396.
,, ,,	25th Oct.	,, ,,	344.
,, ,,	26th Nov.	,, ,,	389.

THE Board resolve to lay before Government a report on the operations of the Local Fund constituted under Act V. of 1871 during the year 1871-72 accompanied by a file of printed reports furnished by the Presidents of the Local Fund Boards and by the statements noted in the margin.

2. The Madras Local Funds Act, which repealed the Education Act* and the District Road-cess Act,† received the assent of the Viceroy on the 28th March 1871.

No. 138. Read the following Proceedi...
June 1873, No. 1111:—

Read the follow...

From the President, L. F. Boards,		Ganjam
,, ,, ,,		Vizagapata...
,, ,, ,,		,,
,, ,, ,,		Godavery
,, ,, ,,		,,
,, ,, ,,		Kistna
,, ,, ,,		Nellore
,, ,, ,,		Cuddapah
,, ,, ,,		Bellary
,, ,, ,,		Kurnool
,, ,, ,,		Chingleput
,, ,, ,,		,,
,, ,, ,,		North Arc...
,, ,, ,,		,,
,, ,, ,,		South Arc...
,, ,, ,,		,,
,, ,, ,,		Tanjore
,, ,, ,,		,,
,, ,, ,,		Trichinopo...
,, ,, ,,		Madura
,, ,, ,,		,,
,, ,, ,,		Tinnevelly
,, ,, ,,		,,
,, ,, ,,		Coimbator...
,, ,, ,,		,,
,, ,, ,,		Nilgiri
,, ,, ,,		Salem
,, ,, ,,		,,
,, ,, ,,		South Can...
,, ,, ,,		Malabar
,, ,, ,,		,,

No. 1.	Statement	of the Actual Receipts of the Local Fund.
,, 2.	Do.	of the Actual Expenditure of the Local Fund.
,, 3.	Do.	of the Actual Receipts and Expenditure of the Road Fund.
,, 4.	Do.	showing the progress of all important New Roads.
,, 5.	Do.	of the Actual Receipts and Expenditure of the Union Fund.
,, 6.	Do.	do. of the Endowment Fund.
,, 7.	Do.	do. of the General Fund.

* No. VI. of 1863.

† No. III. of 1866.

the country into Circles; for the appoint-
cle; for the application of the Local Fund
, and medicines, vaccination, sanitation,
ising funds by a land-cess not exceeding
f occupied land (two-thirds to be spent on
the first place, on schools), and tolls (all to
not to be imposed except in groups of
bout to be established.

lay 1871, No. 619, Public Department,
thirty-six Circles and fixed the land-cess
ments:—

ation of Circle.	Rate of Land-cess per Rupee.
...pore	1 Anna.
...de	
...patam	"
...atam	
...da	9 Pies.
...mbry	
...patam	"
...r	
... ...	1 Anna.
...ondah	"
... ...	
...l	9 Pies.
...ah	1 Anna.
...upally	
...e	9 Pies.
...eput	
...e	"
... ...	
...ore	1 Anna.
...hellum	
... ...	9 Pies.
...tam	1 Anna.
...opoly	
... ...	9 Pies.
...l	
...ily	"
...devi	
...rn	1 Anna.
...rn	
... ...	"
... ...	"
...rry	"
... ...	"

e made payable from the 1st July, the

No. 563, Public Department, a scheme was
under which the whole country was even-
es, each having a school and supporting it

with a house-tax. During 1871-72, however, Unions were only established where Rate Schools under Act VI. of 1863, were in existence and where good Elementary Schools were in operation. The number of Unions so established was—

Rate Schools	116
Other ,, ...	155

Very little of the tax on houses was collected before the end of the year.

7. Only nine new toll-gates were established.

8. An enormous increase in the amount of the Local Fund and in the work done in its name was made by G. O., dated 7th June 1871, No. 216, Financial Department, whereby nearly all the roads formerly held to be Imperial and not Local were made Local, large grants-in-aid being given to the Circles on this account from Provincial Funds at the same time.

9. The Local Fund was made to share the cost of the Public Works Establishment with other departments in proportion to the work done for each. In consequence of events which need not be stated the share was not so great in 1871-72 as it will be hereafter, but it amounted to 19·64 per cent. on the expenditure by the Public Works Department. In previous years the charge was only ten per cent.

10. As soon as the Local Fund Boards were constituted all Dispensaries and many Cauttrums (not situated in Municipalities) were transferred to them.

11. The new Local Fund became liable for a portion of the cost of roads and Public Works Establishment previously paid by the State, for sanitary arrangements at fairs and festivals, for the District Vaccination Establishments, for the Inspecting Schoolmasters and Deputy Inspectors of Schools engaged in inspecting Elementary Schools, for grants-in-aid to such schools, and for the contribution promised by Government to Dispensaries in Circles. The amount thus saved to the State in 1871-72 is estimated at Rupees 6,93,194, calculated as follows:—

	Rs.
Outlay on Imperial roads	11,27,996
Cost of the Public Works General Establishment after deducting ten per cent. on expenditure payable under the old system	2,84,310
	14,12,306
Deduct Provincial Grant for roads	9,16,990
	4,95,316
Add Endowed Hospital Charges met from the General Fund	9,761
Do. Educational Inspection Charges	46,922
Do. Contribution to Training Schools	2,628
Do. Salary Grants	7,098
Do. Results do.	48,578
Do. Unendowed Hospital Charges after deducting Hospital receipts	4,020
Do. Sanitary Establishments	24,310
Do. Vaccination	47,887
Do. Contributions to Municipalities for Dispensaries...	21,113
	7,07,634
Deduct grant from Provincial Funds for general purposes	14,440
	6,93,194

12. On the 30th of June 1871, No. 265, Government issued rules for administrating the Local Fund under which it is divided into Funds, viz.:—

(1.) The Road Fund (two-thirds of the land-cess, Government grants, tolls, etc.)

(2.) The Union Fund (house-tax, etc.)

(3.) The Endowment Fund (Chutrums endowments, etc.)

(4.) The remainder of the Fund, now called the General Fund (one-third of the land-cess, etc.)

13. The administration of the Road Fund remains almost unaltered, the accounts being audited by the Controller. The Accountant-General audits all other accounts. The Board of Revenue is the adviser of Government and the medium of communication between Local Fund Boards and Government. Elaborate forms are prescribed for the budgets and accounts of the Local Fund.

14. After the rules were issued, viz., in July 1871, the Local Fund Boards prepared their budgets. The road budgets drawn up under the old system and amalgamated in the Government Office were adopted universally, but great confusion was caused by the necessity for hastening the introduction of the new system, as it were, in the middle of the year. The budgets of 1871-72, for instance, could not be reviewed before those of 1872-73 were received.

15. Statement No. I.—The actual receipts of the Local Fund amounted to Rupees 50,71,711 against an estimate of Rupees 60,95,900, made up of the following items:—

Items.	Actuals.	Estimate.	More than Estimate.	Less than Estimate.
	Rs.	Rs.	Rs.	Rs.
BALANCES.				
Road Funds	11,76,146	12,35,170	.....	59,022
Union Funds	22,373	21,160	1,213	.....
Endowment Funds	23,288	41,500	.....	18,212
General Funds	87	.....	87	.....
ALLOTMENTS FROM GENERAL REVENUE.				
Provincial Funds—				
For Roads	9,16,990	9,16,990	.....	.....
„ Schools	19,463	22,760	.....	3,297
„ General Purposes	14,440	14,440	.....	.....
Special Funds	3,45,536	3,80,870	.....	35,334
Road-cess under Act III. of 1866	14,51,655	23,45,721	51,62,410	.....	8,16,689
Land-cess do. „ IV. of 1871	8,94,071				
Tolls	1,03,804	1,20,570	.....	16,766
House-tax	334	82,660	.....	82,326
Fees in schools, etc.	4,636	7,390	.....	2,754
Contributions from Municipalities—				
For Roads	.....	3,160	.....	3,160
„ Educational purposes	200	1,050	.....	850
Educational	15,144	2,370	12,774	.....
Hospitals and Dispensaries	12,311	12,430	.....	119
Chutrums, etc.	37,631	47,060	.....	9,429
Miscellaneous	28,956	23,910	5,046	.....
Advances recoverable	4,649	..	4,649	.....
Total	50,71,711	60,95,900	8,51,339	19,75,728

16. ROAD FUND BALANCE.—The balance of the Road Fund was Rupees 59,022 less than the estimate. The actual balances of the Fund on the 1st April 1871 were entered in the budgets, but these amounts were subsequently altered under advice from the Accountant-General. The largest decrease* occurs in the Chittoor and Vellore Circles, the remainder being distributed in small sums over several Circles.

	Rs.
Estimated	12,35,170
Actual	11,76,148
	59,022

* Rupees 33,300.

17. UNION FUND BALANCE.—The Union Fund balance consisted of the balance of collections under Act VI. of 1868.

18. ENDOWMENT FUND BALANCE.—The difference between actuals and estimate in the balance of the Endowment Fund occurred because arrangements could not be made for transferring certain Chutrums and Dispensaries to the Local Boards before the close of the year.

19. GRANT FROM PROVINCIAL FUNDS FOR ROADS.—The grant from Provincial Funds for roads, as sanctioned in G. O., Financial Department, dated 7th June 1871, was Rupees 9,27,490, or Rupees 10,500 more than that shown above. The difference is due to alterations made by the Board and Government when reviewing the revised budgets, as detailed below:—

	Rs.	
Chingleput Circle ...	2,500	Transferred for General Purposes. (*Vide* paragraph 12 of G. O., Financial Department, dated 6th October 1871, No. 529).
Negapatam do. ...	4,990	Withheld. (*Vide* paragraph 3 of G. O., Financial Department, dated 5th December 1871, No. 742).
Nilgiri do. ...	1,000	Transferred for General Purposes. (*Vide* paragraph 2 of G. O., Financial Department, dated 25th September 1871, No. 486).
Tellicherry do. ...	2,000	Transferred for General Purposes. (*Vide* paragraph 7 of G. O., Financial Department, dated 26th December 1871, No. 825).
	10,490	
	10	Not credited in the accounts of the South Arcot District.
	10,500	

20. GRANT FROM PROVINCIAL FUNDS FOR SCHOOLS.—The grants for schools admitted by Government in the budgets aggregated Rupees 22,760. The grants for schools in the South Coimbatore and Canara Circles were not brought to account within the year and the total sum realized by the Local Fund was only Rs. 19,463.

21. SPECIAL FUNDS.—The Special Fund item consisted of minor Funds formerly credited to the Road Fund, such as the Surplus Pound Fund, Ferry Rents, etc. In 1871-72 Government allowed them to be credited to the Local Fund. The difference under Special Funds is because part of the Surplus Pound Fund was not credited within the official year through oversight in the Cuddapah, Madanapally,

G. O., Financial Department, dated 7th June 1871, No. 216, paragraph 11.

Tanjore, and Negapatam Circles, because the estimate in certain cases was framed upon insufficient data, and because the season was unfavourable, and Ferry, Fishery, and Grass Rents were smaller than was expected in a few Circles.

22. Land-cess.—The entire land-cess, including the collections expected from road-cess, was estimated at Rupees 31,62,410. The amount realized was only Rupees 23,45,721. The difference of Rupees 8,16,689 is attributable chiefly to the following causes:—

(1.) To the late period at which the altered demand was fixed.

(2.) To difficulty in determining the demand on Zemindari and Inam lands, so great that in many cases it could not be settled before the end of the year.

23. Tolls.—The difference under tolls was owing—

(1.) To an overestimate of Rupees 3,180 out of Rupees 5,800 in the Sydapet Circle, to evasion of payments, and generally to the want of data for preparing the estimate.

(2.) To the refusal of Government to sanction tolls estimated to yield Rupees 10,000 in the Cuddalore Circle.

24. House-tax.—Only Rupees 334 were realized on account of house-tax out of an estimated income of Rupees 82,660. Even this small sum was collected in the Cuddapah Circle before any Unions had been sanctioned by Government and it had to be refunded to the parties concerned (*vide* G. O., Financial Department, dated 17th August 1872, No. 1,086). No collections were made in the other Circles in consequence of the non-receipt in some cases, and the late receipt in other cases, of the orders of Government authorizing the formation of Unions.

25. Contributions from Municipalities for Roads.—The amount expected from this source was Rupees 8,160, made up of—

	Rs.
Chittoor Circle	810
North Coimbatore Circle	1,500
Salem Circle	850
Total...	3,160

The 1st and 3rd items were recovered after the close of the year, but the 2nd, which was for the maintenance of the road from Pothanore to Coimbatore, was disallowed in G. O., Public Department, dated 16th August 1871, No. 1,245, the Coimbatore Municipal Commissioners having undertaken to keep the road in repair themselves.

26. Educational.—The difference is Rupees 12,774, made up for the most part of collections under Act VI. of 1863, which were not shown in the budget.

27. Chuttrums.—The difference under Chuttrums is because some were not transferred to the Local Boards so soon as was expected.

Proceedings of the Madras Government, Financial Department,
21st August 1873.

28. *Statement No. 2.*—Statement No. 2 shows the total Local Fund expenditure, viz., Rs. 42,67,530, which deducted from the total assets of Rs. 50,71,711 leaves a balance of Rupees 8,04,181. The expenditure is as follows:—

	Rs.
Grant I. (Public Works)	38,95,544
Do. II. (Education)	1,60,891
Do. III. (Sanitation, Medical Services, and Public and Charitable Institutions)	1,62,289
Do. IV. (Miscellaneous, Cost of Office Establishments), etc.	27,558
	42,55,282
Advances recoverable...	12,148
Total...	42,67,530

29. It will be seen that the Local Fund transactions of the under-mentioned Circles closed with the deficits shown opposite each:—

	Rs.
Chelleepore	21,872
Chicacole	10,059
Narsipatam	15,035
Cuddapah	12,916
Chittoor	31,886
Salem	10,474
Ossoor	7,535
Nilgiri	2,554

30. The Board will now proceed to notice the transactions of each of the minor Funds comprising the Local Fund.

31. Road Fund.—*Statement No. 3.*—Statement No. 3 shows the receipts of the Road Fund including the actual balance on the 1st April 1871, Rupees 45,79,690, and the expenditure, Rupees 38,22,496, leaving a balance of Rupees 7,57,194. An abstract of the statement is given below:—

Receipts.			Expenditure.		
	Rs.				Rs.
1. Balance	11,76,148		1. New Works.	By P. W. D. ...	12,94,084
2. Road-cess 14,51,650	20,47,699			By other Agency.	45,523
3. Two-thirds land-cess... 5,96,049			2. Repairs ...	By P. W. D. ...	16,29,225
4. Provincial Funds	9,16,590			By other Agency	1,29,625
5. Special do.	3,18,730				30,98,457
6. Tolls	1,03,804		3. Share of cost of P. W. D. General Establishment chargeable to Road Fund		5,53,671
7. Miscellaneous	12,355		4. Petty Establishment		97,626
8. Advances recoverable	3,964		5. Share of cost of general management chargeable to the Road Fund		24,777
			6. Tolls and Ferries		3,562
			7. Tools and Plant		11,402
			Contingencies		3,842
			8. Contributions to Municipalities.		14,025
			9. Miscellaneous		15,134
					38,22,496
				Balance...	7,57,194
Total...	45,79,690			Total...	45,79,690

32. The manner in which the cost of the Public Works Establishment is calculated has been already indicated. The Petty Establishment consists of the Overseers who superintend the execution of works. The Fund's share of the cost of general management, *i. e.*, of the Clerks employed on Local Fund work in the Circles, in the Collectors' Cutcherries, and in Presidency offices, is proportioned to the amount of the Fund's assets.

33. The following statement shows the allotment for New Works and Repairs of communications in each Circle, the expenditure incurred, and the percentage of the latter to the former:—

Circles.	Allotments.	Expenditure.	Percentage of Expenditure to Allotment.
	rs.	rs.	
Chetterpore	77,520	69,686	89·86
Chicacole	43,783	39,082	89·26
Vizagapatam	77,080	71,469	92·04
Narsipatam	25,740	42,828	166·38
Cocanada	1,25,866	1,06,878	84·91
Rajahmundry	1,70,477	1,48,708	87·23
Masulipatam	1,45,568	96,842	66·38
Guntoor	1,21,360	92,682	76·36
Nellore	2,72,780	1,96,570	72·07
Bellary	77,346	75,248	97·28
Pennakondah	33,121	24,274	73·28
Gooty	95,510	61,940	64·85
Kurnool	1,85,122	1,00,927	54·51
Cuddapah	78,266	64,591	82·08
Madanapally	58,130	40,872	70·31
Sydapet	90,690	86,818	95·73
Chingleput	66,530	69,871	105·02
Chittoor	1,46,114	1,32,101	90·40
Vellore	44,290	29,737	67·14
Cuddalore	1,45,080	1,29,250	89·08
Virdachellum	80,183	65,949	82·29
Tanjore	1,54,555	1,22,272	79·11
Negapatam	1,70,084	1,35,499	79·66
Trichinopoly	1,24,435	1,06,857	85·86
Madura	1,50,500	84,157	55·91
Dindigul	1,13,250	57,702	50·95
Tinnevelly	1,37,550	1,15,327	83·84
Shermadevi	59,870	44,521	74·36
North Coimbatore	80,133	73,027	91·13
South do.	73,605	63,894	86·80
Salem	1,05,329	93,599	88·86
Gossoor	58,858	44,152	75·02
Nilgiris	47,228	47,379	100·31
Calicut	1,98,700	1,90,722	95·98
Tellicherry	1,05,537	95,677	90·65
Canara	1,08,473	77,752	71·67
Total	28,49,053	30,98,457	80·40

34. The total allotment for works amounted to Rupees 28,49,053 while the expenditure was Rupees 30,98,457, or 80·40 per cent. In the Narsipatam, Chingleput, and Nilgiri Circles the expenditure exceeded the allotments, but the large

balance left in other Circles was owing chiefly to the lateness of the dates on which the revised Local Fund budgets were passed.

35. *Statement No.* 4.—This statement shows all the new road works undertaken during the year by the Public Works Department and by other agency, *i. e.*, under Revenue officials, the amount of the estimate for each work, the expenditure incurred from the commencement of the work to the close of the year, the allotment and expenditure of the year, and the stage of progress which each work attained.

36. The subjoined statement shows the number of miles of road constructed and maintained:—

Circles.	Number of miles maintained.	Number of miles completed.	Number of miles in progress.
Chetterpore	375	10	8
Chicacole	220	8	2
Vizagapatam	285¼	53	72½
Narsipatam	141½	49¼	79
Cocanada	66¾	16¼	2¾
Rajahmundry	171¼	83¼	86½
Masulipatam	274½	10¾	22¾
Guntoor	166	47⅞	38½
Nellore	546½	51	60½
Bellary	547½	3	15
Pennakondah	388	.....	.....
Gooty	372	.....	26
Kurnool	305	.....	27
Cuddapah	469	3½	20
Madanapally	625	.....	.....
Sydapet	191½	.....	64½
Chingleput	108½	7½	126½
Chittoor	760	5½	80½
Vellore	343	.....	4
Cuddalore	718½	76½	6½
Virdachellum	354¾	125	3
Tanjore	685	33	19
Negapatam	474	23	21
Trichinopoly	484	14	10½
Madura	283	8½	26½
Dindigul	211	51½	60
Tinnevelly	307	104	9¾
Shermadevi	274	141½	12
North Coimbatore	356½	61¾	75
South do.	474½	.....	18¾
Salem	793½	.....	.....
Gossoor	3·5	.....	.....
Nilgiris	202	7	.....
Calicut	849	28½	15
Tellicherry	337	.....	10½
Canara	737	11½	66
Total	14,351½	1,038¾	1,146[illegible]

37. The share of the cost of the Public Works Department General Establishment chargeable to the Local Funds as per G. O., Financial Department, dated

7th June 1871, No. 216, was Rupees 5,83,690, but that shown in the detailed Local Fund budgets of the several Circles was Rupees 5,79,120, or Rupees 4,570 less than the former sum. In G. O., Financial Department, dated 15th May 1873, No. 671, it was decided that Rupees 5,79,120 should be the charge, but the Collectors' accounts make it Rupees 5,59,083, or Rupees 18,837 less. This has no doubt been since adjusted under instructions from the Accountant-General.

	Rs.
Road Fund	5,59,671
General ,, ...	5,412
Total ...	5,65,083

38. Union Funds—*Statement No. 5*—The following is an abstract of Statement No. 5 showing the transactions of the Union Funds:—

Receipts.		Charges.	
	Rs.		Rs.
Balance	22,373	Salary grants	1,007
House-tax	334	Union charges	63,121
Grant from Government	19,463	Public Works	7,240
Appropriation from the General Fund	22,781	Sanitation and Miscellaneous	108
School fees	4,636		
Contributions including the Educational Cess collections	15,144		
Miscellaneous	.....	Deduct...	22,781
	84,761		48,695
Deduct Union Fund deficits met from the General Fund	22,781	Balance...	13,255
Total ...	61,980	Total ...	61,980

39. As already remarked, only Rupees 334 were collected as house-tax, which was afterwards refunded to the parties concerned as it was improperly levied. The Union Fund charges were, therefore, met partly from the General Funds and partly from other sources of income.

40. The grant from Government consisted for the most part of grants-in-aid formerly given to Rate Schools continued when they became Local Fund Schools.

41. In cases where the Union Fund was unequal to the demands upon it the deficit was paid from the General Fund, but as under the Local Fund Rules the deficits are to be carried on to the next year, as well as the balances, the total appropriation from the General Fund has to be deducted from the total receipts in order to show the real amount of the Union Fund.

42. The public works shown amongst the charges consisted of building and repairing school-houses.

43. In some of the Unions where the funds were in excess of the school expenditure part of the balance was spent in the Union on sweeping streets, etc., (Sanitation and Miscellaneous).

Proceedings of the Madras Government, Financial Department,
21st August 1873.

44. The subjoined statement shows the number of Unions proposed in the budget and the schools actually taken charge of or newly opened during the year by the Local Fund Boards:—

Circles.	Number of Unions proposed in the Budget.	Number of Schools under the supervision of the Local Fund Boards.		
		Old Rate Schools.	New Schools.	Total.
Vizagapatam ...	1	.....	.....	1
Cocanada	111	50	65	115
Rajahmundry ...	59	.....	59	59
Masulipatam ...	2	2	.....	2
Guntoor	1	.....	.....	1
Nellore	9	9	.....	9
Cuddapah	2	2	.....	2
Bellary	7	7	.....	7
Pennakondah ...	4	2	.....	2
Gooty	4	.....	1	1
Kurnool	2	.....	2	2
Sydapet	1	1	.....	1
Chingleput	2	.....	2	2
Virdachellum ...	6	6	.....	6
South Coimbatore.	3	2	1	3
Salem	2	2	.....	2
Calicut	11	16	9	25
Tellicherry ...	6	6	.....	6
Canara	25	8	16	25
Total...	259	119	155	274

45. Endowment Fund—*Statement No. 6*.—This statement exhibits the receipts and charges of the Endowment Fund. An abstract is given below:—

Receipts.		Charges.	
	Rs.		Rs.
Balance	22,288	Hospitals	15,210
Interest	444	Choultries	24,473
Rent and produce of land	23,496	Public Works	8,078
Allotment from Capital	.....	Education	141
Appropriation from the General Fund	10,787	Miscellaneous	15
Contributions, Sale of Medicines, etc.	21,580		
Miscellaneous	.....		47,922
	79,595	Balance ...	31,673
Total...	79,595	Total ...	79,595

46. It will be observed that a sum of Rupees 8,078 was spent on public works out of the Endowment Fund. The principal works are detailed below:—

		Rs.
Chittoor Circle ...	Purchase of a site for the new Dispensary at Tripatty ...	525
	Restoration of the Annadana Choultry	1,940
Shermadevi Circle...	Constructing Mulakarapu's Chuttrum	940
	,, Tamarya Arrivat	1,850
Calicut Circle ...	,, Chuttrum at Tambercherry	540
	,, do. at Kalpatti	684

7th June 1871, No. 216, was Rupees 5,88,690, but that shown in the detailed Local Fund budgets of the several Circles was Rupees 5,79,120, or Rupees 4,570 less than the former sum. In G. O., Financial Department, dated 15th May 1873, No. 671, it was decided that Rupees 5,79,120 should be the charge, but the Collectors' accounts make it Rupees 5,59,083,* or Rupees 18,837 less. This has no doubt been since adjusted under instructions from the Accountant-General.

	Rs.
Road Fund	5,53,671
General „	5,412
Total ...	5,59,083

38. Union Funds—*Statement No.* 5.—The following is an abstract of Statement No. 5 showing the transactions of the Union Funds:—

Receipts.		Charges.	
	Rs.		Rs.
Balance	22,373	Salary grants	1,007
House-tax	334	Union charges	63,121
Grant from Government	19,463	Public Works	7,240
Appropriation from the General Fund ...	22,781	Sanitation and Miscellaneous ...	108
School fees	4,036		71,476
Contributions including the Educational collections	15,144	Deduct...	22,781
Miscellaneous	.....		48,695
	84,761	Balance...	13,255
Deduct Union Fund deficits met from the General Fund	22,781		
Total ..	61,950	Total	61,950

39. As already remarked, only Rupees 334 were collected as house-tax, which was afterwards refunded to the parties concerned as it was improperly levied. The Union Fund charges were, therefore, met partly from the General Funds and partly from other sources of income.

40. The grant from Government consisted for the most part of grants-in-aid formerly given to Rate Schools continued when they became Local Fund Schools.

41. In cases where the Union Fund was unequal to the demands upon it the deficit was paid from the General Fund, but as under the Local Fund Rules the deficits are to be carried on to the next year, as well as the balances, the total appropriation from the General Fund has to be deducted from the total receipts in order to show the real amount of the Union Fund.

42. The public works shown amongst the charges consisted of building and repairing school-houses.

43. In some of the Unions where the funds were in excess of the school expenditure part of the balance was spent in the Union on sweeping streets, etc., (Sanitation and Miscellaneous).

Proceedings of the Madras Government, Financial Department,
21*st August* 1873.

44. The subjoined statement shows the number of Unions proposed in the budget and the schools actually taken charge of or newly opened during the year by the Local Fund Boards:—

Circles.	Number of Unions proposed in the Budget.	Number of Schools under the supervision of the Local Fund Boards.		
		Old Rate Schools.	New Schools.	Total.
Vizagapatam ...	1	.....	.....	1
Cocanada	111	6[illegible]	65	115
Rajahmundry ...	59	.....	59	59
Masulipatam ...	2	2	.....	2
Guntoor	1	[illegible]	.....	1
Nellore	9	[illegible]	.....	9
Cuddapah	2	[illegible]	.....	2
Bellary	7	7	.....	7
Pennakondah ...	4	[illegible]	.....	2
Gooty	4	.....	1	1
Kurnool	2	.....	2	2
Sydapet	1	[illegible]	.....	1
Chingleput	2	.....	2	2
Virdachellum ...	6	[illegible]	.....	6
South Coimbatore.	3	2	1	3
Salem	2	2	.....	2
Calicut	11	16	9	25
Tellicherry ...	6	[illegible]	.....	6
Canara	25	[illegible]	16	25
Total..	259	11[illegible]	155	271

45. Endowment Fund—*Statement No.* 6.—This statement exhibits the receipts and charges of the Endowment Fund. An abstract is given below:—

Receipts.		Charges.	
	Rs.		Rs.
Balance	22,288	Hospitals	15,210
Interest	444	Choultries	24,473
Rent and produce of land	23,496	Public Works	8,078
Allotment from Capital	.....	Education	141
Appropriation from the General Fund	10,787	Miscellaneous	15
Contributions, Sale of Medicines, etc	21,580		47,922
Miscellaneous	.....	Balance ..	31,673
	79,595		
Total...	79,595	Total ...	79,595

46. It will be observed that a sum of Rupees 8,078 was spent on public works out of the Endowment Fund. The principal works are detailed below:—

			Rs.
Chittoor Circle ...	Purchase of a site for the new Dispensary at Tripatty ...		625
	Restoration of the Annamalai Choultry		1,940
Shermadevi Circle...	Constructing Mulakarapatti Chuttrom		940
	„ Tamarya Arcot		1,350
Calicut Circle ...	„ Chuttrum at Tambercherry		540
	„ do. at Kalpatti		684

47. The expenditure of Rupees 141 shown against Education is the salary of the Masters of the Tirukurungudi School paid out of the funds of the Chuttrum at that place.

48. The total number of endowed Dispensaries and Choultries transferred to the Local Boards during the year is 139, as shown below. The unendowed institutions are noticed in reviewing the General Fund :—

Circles.	Dispensaries.	Choultries, etc.	Names of Dispensaries.
	No.	No.	
Masulipatam	.....	1	
Madanapally	1	.....	Madanapally.
Chingleput	1	1	Chingleput.
Chittoor	2	4	Tripatty.
		2	Runcopet.
Vellore	1	2	Vellore.
Cuddalore	...	3	
Virdachellum	1	2	Chedumbaram.
Negapatam	1	.....	Tranquebar.
Trichinopoly	.....	17	
Tinnevelly	.....	22	
Shermadevi	.....	7	
North Coimbatore	.....	26	
South do.	1	26	Pollachy.
Nilgiris	.....	14	
Salem	.....	.....	
Calicut	2	7	Ponani.
			Munjeri.
Tellicherry	.....	.....	
	10	129	
	139		

49. Of the ten Dispensaries, the one at Tripatty was newly opened in October 1871 and was maintained by a grant of Rupees 300 a month by the Mahunt of Tripatty. The other nine were old Dispensaries.

50. General Fund—*Statement No.* 7.—Statement No. 7 shows the receipts and charges of the General Fund, an abstract of which is as follows.

Receipts.	Rs.	Charges.	Rs.
Balance	87	Grant I.	
Provincial Funds	14,410	Public Works	85,972
Avenues	26,806	Tools and Plant	11
One-third land-cess	2,98,022	Public Works Department General Establishment	5,412
Other receipts	21,908	Miscellaneous	5
		Total, Grant I...	91,400
		Grant II.	
		Appropriation to Union Funds. ...	22,781
		Educational Inspection	47,123
		Training Schools	2,628
		Salary Grants	7,998
		Results do.	48,578
		Miscellaneous	356
		Total, Grant II...	1,28,564
		Grant III.	
		Appropriation to Endowment Fund	10,787
		Dispensaries	8,413
		Chuttrums	693
		Vaccination	47,887
		Sanitary Establishment	48,803
		Markets	517
		Contributions to Municipalities, etc., for Dispensaries	21,113
		Total, Grant III...	1,33,223
		Grant IV.	
		Share of the cost of General Management	2,781
		Advances recoverable	3,236
			3,59,204
		Balance...	2,059
Total...	3,61,263	Total...	3,61,263

51. Avenues Receipt Rupees 26,806.—This item is made up of Rs. 26,647, being the sale-proceeds of avenue clippings, and Rupees 159, being interest on the rent of avenue trees.

52. Other Receipts, Rupees 21,908.—This item comprises the following sources of income :—

	Rs.
Contributions from Municipalities toward the cost of Educational Inspection	200
Fines and Penalties	605
Contributions from villagers for sanitary works	7,792
Sale-proceeds of old materials	556
Hospital receipts	4,393
Miscellaneous	8,362
Total...	21,908

53. The portion of the cost of Educational Inspection charged to Local and Municipal Funds was first paid from the former, and the Municipalities afterwards reimbursed the Local Fund for their share of the cost.

54. The Public Works expenditure incurred out of the General Fund, viz., Rupees 85,972, may be classified as follows:—

	Rs.
1. Formation and maintenance of Avenues	60,788
2. Repairs of Hospitals	420
3. Works of water-supply	6,618
4. Construction and repair of Choultries	8,739
5. Village and Town improvements	1,630
6. Miscellaneous, including Cart-stands, halting-sheds, etc. ...	7,777
Total...	85,972

55. The charge on account of Training Schools, Rupees 2,628, is the contribution to Government Normal Schools payable under G. Os., Educational Department, dated 14th and 21st August 1871, Nos. 230 and 246, as hereunder particularized:—

Circle.	Amount contributed.	Name of the School.
	Rs.	
Vizagapatam	410	} Vizagapatam.
Narsipatam	410	
Cocanada	280	Narsapore.
Calicut	331	} Cannanore.
Tellicherry	1,197	
Total...	2,628	

56. The number of schools that received salary grants-in-aid during the year was 129, as follows:—

Name of Circle.	No. of Schools.	Amount paid.
		Rs.
Masulipatam	3	126
Tinnevelly	76	3,796
Shermadevi	47	2,792
North Coimbatore ...	1	80
Salem	2	304
Total...	129	7,098

57. With regard to the Results Grants Schools, their total number is not known, as most of the reports do not contain this information.

Proceedings of the Madras Government, Financial Department,
21st August 1873.

58. The number of unendowed Dispensaries and Choultries is thirty-eight, as detailed below:—

Name of the Circle.	No. of Dispensaries.	No. of Choultries, etc.	Names of Dispensaries.
Chicacole	1	.....	Kimedy.
Nellore	1	.....	Ongole.
Bellary	1	.....	Hospett.
Kurnool	1	2	Nundial.
Sydapet	1	....	Parvathy Nurthany Unnaul.
Chittoor	1	1	Chittoor.
Negapatam	2	.....	Sheally and Tritrapoondy.
Salem	1	.....	Namakul.
Calicut	...	12	
Tellicherry	1	13	Manantoddy.
Total...	10	28	

59. A sum of Rupees 21,113, calculated to represent the interest of the Circles in Dispensaries and a Lungherkhana situated in Municipalities, was paid to those Municipalities, as shown below:—

Name of Circle.	Amount contributed.	Name of Institution.
	Rs.	
Chelterpore	750	Berhampore Dispensary.
Vizagapatam	710	Vizagapatam do.
	409	Palcondah do.
	50	Bimlipatam do.
Cocanada	440	Cocanada do.
Rajahmundry	650	Rajahmundry do.
Masulipatam	1,060	Masulipatam do.
Nellore	510	Nellore do.
	1,200	Do. Branch do.
	390	Do. Lunghorkhana.
Kurnool	1,400	Kurnool Dispensary.
	600	Cumbum do.
Chingleput	1,800	Conjeeveram do.
Cuddalore	1,929	Cuddalore do.
Trichinopoly	2,358	Trichinopoly do.
Dindigul	629	Dindigul do.
Tinnevelly	500	Nazareth do.
	300	Tinnevelly do.
Shermadevi	807	Edayangudy do.
Salem	2,000	Salem do.
Calicut	1,500	Calicut do.
Canara	1,200	Mangalore do.
Total...	21,113	

60. This Report ought according to the rules to have been submitted by the 15th August 1873, but the reports from half the Circles had not been received by that date, and the last did not come to hand until the 3rd December.

61. The novelty of the system and the complicated transactions which had to be dealt with in the reports caused them not only to be late but to be incomplete, and the following references had to be made before the Board's Report could be prepared:—

Circle.	Date of Reference.	Date of Reply.
Chetterpore	23th August 1872 ...	25th October 1872.
Chingleput		10th September ,,
Vizagapatam		9th November ,,
Nilgiri	22nd October ,, ...	Bellary, 30th October 1872.
All Circles	16th ,, ,, ...	Chingleput, 29th ,, ,,
		Tinnevelly, 2nd November ,,
		Canara, ,, ,, ,,
		Kurnool, 4th ,, ,,
		Madura, 11th ,, ,,
		North Arcot, 12th ,, ,,
		Nellore, 20th ,, ,,
		Coimbatore, 10th December ,,
		Godavery, 8th January 1873.
		Do. 31st ,, ,,
		Kistna, 8th ,, ,,
		South Arcot, 13th ,, ,,
		Vizagapatam, 23rd ,, ,,
		Salem, 27th ,, ,,
		Cuddapah, 25th March ,,
District Engineer, Cuddapah	15th February 1873 ...	25th February 1873.
Do. Kistna	,, ,, ,, ...	6th March ,,
Do. North Arcot	,, ,, ,, ...	15th ,, ,,
Do. Madura	,, ,, ,, ...	17th ,, ,,
Do. Chingleput ...	10th January ,, ...	16th April ,,
Do. do.	7th April ,, ...	

62. The time when the information became complete was the worst possible time for completing the Report. As the official year drew to a close, applications for allotments and transfers of funds, all of which demanded immediate attention, became numerous. No less than 185 were received in the last three months of the year. The Board were also engaged in reviewing the budgets of 1873-74, and after the year ended the orders of Government on the new budgets poured in, and the laborious work of printing the budgets, which occupies a great portion of the time of every Clerk in the Local Fund Department, is still in progress.

63. The Board despair of ever being able to submit the General Report at the time it is wanted by Government, and they are inclined to believe that, now the administration is no longer uniform but varies with the character of the several Local Fund Boards, it will be more advantageous to review the reports one by one. This will enable them to notice matters of administration, such as the mode in which the Local Fund Boards transact their business, the management of schools etc., which are of no less importance than the facts of finance, which are all that can be enumerated in a General Report.

(True Extract.)

(Signed) J. GROSE,
Secretary.

No. 139. ORDER THEREON, 21st August 1873, No. 1183.

In their Proceedings above recorded the Board of Revenue submit the Annual Report on the operations of the various Local Fund Boards during the year 1871-72. The late date on which it is submitted is explained to be owing to the novelty of the system and the complicated nature of the transactions which necessitated a very large number of references before the final report could be prepared. Though the novelty of the system will wear off, the complicated transactions and the necessity for numerous references will probably still remain, and as the Board believe that the administration is no longer uniform, but varies with the character of the several Local Fund Boards, they consider that it would be more advantageous to review the reports one by one, when they would be able to deal with matters of administration as well as facts of finance.

2. The Government concur with the Board up to a certain point, but there are still many subjects calling for orders of general application which are more likely to be of a satisfactory character when all the varied local circumstances have been contrasted and placed in a concise form before Government in a general review, than when issued on a report from a single circle and circulated as an extract for the information and guidance of the other Local Fund Boards. From the above consideration, as well as on account of the necessity of having a financial report embracing the operations of all the Local Boards of the Presidency, the Government are not willing to allow the annual report to be dispensed with. They consider, however, that it would be well for the Board of Revenue to review each report as it comes in, and pass such remarks on administrative points as may seem necessary, leaving financial facts and other than mere local administrative questions to be dealt with in the general review. A copy of the order on each report should be forwarded for the information of Government.

3. The Government proceed to consider the report itself; but, as fifteen months have elapsed since the close of the period to which it relates, it does not seem necessary to do more than notice, very briefly, the main results of the year's operations. The administrative results appear to be—

(*a.*) The Presidency was divided into thirty-six Circles with Local Boards, and land-cess fixed at the rate of 1 Anna per Rupee of land revenue in twenty-one of these, and at 9 Pies per Rupee in the others.

(*b.*) Two hundred and seventy-one Unions or areas subject to House-tax for the support of a Local Fund School were delimitated, and existing schools continued, or new schools established.

(*c.*) Nine new toll-gates were established.

(*d.*) The work carried out under the administration of the Local Boards was enormously in excess of that executed from Local Funds under the old system.

(*e.*) All dispensaries not situated in Municipalities and many chuttrums were transferred to the Local Fund Boards, and all local measures in connexion with sanitation, vaccination, and elementary education were carried out under their supervision.

4. The financial result as estimated by the Board of Revenue was that charges to the amount of Rupees 6,93,194 were saved to Imperial Funds and met from the

enhanced local taxation. In making this estimate, the Board have allowed for a sum of ten per cent. on all works executed by the Public Works Department payable for Public Works Supervision under the old system. The expenditure on Imperial roads, however, did not then appear in the Local Fund accounts at all; hence the whole percentage paid on this account from Local Funds may fairly be put down as a saving to Imperial Funds, and the Government would be inclined to estimate the saving to the State under this head as follows:—

	Rs.
Expenditure by Public Works Department	29,48,110
Deduct expenditure by Public Works Department on Imperial Roads	11,27,996
Expenditure which would have fallen on Local Fund under old system	18,20,114
Total cost of Public Works Supervision	5,59,083
Deduct ten per cent. on Rupees 18,20,114	1,82,011
	3,77,072

Accepting the Board's other figures as correct, the total saving to Imperial Funds would then be Rupees 7,86,958. It must be remarked, however, that this sum includes some items of expenditure which probably never would have been incurred if there had been no special local taxation.

5. The following table is a short abstract of the year's receipts and charges compared with the estimates:—

Receipts.	Estimate	Actuals	Expenditure.	Estimate	Actuals
	Rs.	Rs.		Rs.	Rs.
Balances	12,97,880	12,21,836	Public Works—		
Allotments—			Road Fund	48,11,900	37,97,719
Provincial Funds	9,54,190	9,50,893	Union Fund ...	13,350	7,240
Special Funds ...	3,80,870	3,45,536	Endowment Fund ...	12,620	8,078
Road and Land-cess	31,62,410	23,45,721	General Fund ...	1,22,190	91,400
Tolls	1,20,570	1,03,804	Education—		
House-tax	82,660	384	Union Fund	85,080	64,128
School fees	7,890	4,636	Endowment Fund ...	...	141
Endowment	47,060	37,631	General Fund ...	1,65,790	1,05,783
Miscellaneous ...	42,920	61,260	Sanitation—		
			Union Fund	10,330	108
			Endowment Fund ...	82,950	39,703
			General Fund ...	1,85,360	1,22,436
			General Management—		
			Road Fund	21,440	24,777
			General Fund ...	2,590	2,781
				55,33,480	42,64,294
			Balances—		
			Road Fund	2,22,240	7,57,104
			Union Fund	29,390	13,256
			Endowment Fund ...	41,950	31,673
			General Fund ...	2,68,840	2,059
				60,95,900	50,68,475
			Advances recoverable paid from General Funds ...	...	3,236
Total ...	60,95,900	50,71,711	Total ...	60,95,900	50,71,711

6. The great difference between the estimated and actual receipts occurs chiefly in the Land-cess and House-tax, and is attributable to the fact that the Act came into force too late to permit of all necessary arrangements being made for the settlement and realization of the demand within the year. The short expenditure is partly accounted for by the same considerations.

7. The following facts can be gathered from Statement No. IV.:—

	Rs.	Rs.
The gross amount of the estimates for Local Fund Road works in progress in the year 1871-72 was		96,41,056
The amount worked out in 1871-72	13,30,606	
The amount worked out in previous years ...	36,71,449	
		50,11,055
		46,30,001

8. The allotment for new road works in the Budget for 1872-73 was Rupees 14,02,410, that for 1873-74 Rupees 13,30,806. Leaving thus out of consideration all new works sanctioned but not commenced in 1871-72, all new works commenced but temporarily held in abeyance and all revisions and concomitant enhancement of estimates, it appears that the completion of the new works actually in hand, in 1871-72, will require more than three times the amount annually available.

9. The novelty of the system and the late date of its introduction appear to have stood in the way of any considerable development of new educational or sanitary measures, and the facts reported under these heads call for no special remark.

(True Extract.)

W. HUDLESTON,
Chief Secretary.

To the Board of Revenue.
,, Revenue Department.
,, Public Works Department.
,, Surgeon-General, Indian Medical Department.
,, Director of Public Instruction.
,, Sanitary Commissioner for Madras.
,, Accountant-General.

Exd. J. Wright.