

Financial (189⁷/₈) Department. 13/9

ORDINARY PRINTED.

G.O., No. 741

Dated 10.9.97.

INDEXED. 6/2

[Despatch Abstract.]

Famine Expenditure.

Communicating to the L & M
Deptt. for favour of early reply.
letter from the Govt. of India on
the subject of the amount of
— to be charged to Local Funds
in Madras in 1897-98.

Examined P.W. acctts.

13/9.97

14/11/97

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.
<i>Cu</i> <i>3659/97</i>							

Government { 1897 } of Madras. FINANCIAL.

Recd.

Enclosures

Regd.

1897.

Spare copies

G.O., No. 741, 10th September 1897.

SEPTEMBER.

Famine Expenditure.

Communicating to the Local and Municipal Department, for favour of early reply, letter from the Government of India on the subject of the amount of — to be charged to Local funds in Madras in 1897-98.

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

READ—the following paper:—

From J. F. FINLAY, Esq., Secretary to the Government of India, Finance and Commerce Department (Accounts and Finance—Estimates, &c.), to the Chief Secretary to the Government of Madras, dated Simla, 31st August 1897, No. 3863-A.

I am directed to acknowledge the receipt, with endorsement, No. 471, dated the 12th June 1897, of the Proceedings of the Government of Madras, No. 470, of the same date, in paragraph 5 of which the Local Government discuss the proposal of the Government of India that Local funds should be charged with five lakhs out of the total estimated expenditure on famine relief in Madras for the year 1897-98.

2. The Government of Madras, after reviewing the financial position of each of the district boards in the affected areas, arrive at the conclusion that by no practicable device can Local funds in those areas be directly burdened with so large a share of the expenditure now being incurred on famine relief.

3. I am to say that the Government of India regret that without further information they are unable to accept this conclusion. It seems to be based mainly on the consideration that the district boards have as a matter of fact exhausted their balances, and has not sufficient regard to the question of the nature of the expenditure by reason of which they have so exhausted them.

4. The principle that Local funds ought to bear a part of famine expenditure is a generally accepted one, and has been distinctly affirmed in the case of Madras, both in the Local Boards Act [vide section 95 (v)] and in the Madras Famine Code [vide section 33 (a)]. Under the very precise instructions contained in the latter, district boards are required in times of serious scarcity to subordinate the ordinary objects and methods of expenditure to the special consideration of saving life and to direct their whole resources, subject only to the maintenance of absolutely necessary works in non-affected tracts, to affording relief. It is further laid down that all possible expenditure beyond that absolutely necessary for bare maintenance and establishment charges should be diverted from non-affected to affected areas, and that on the opening of relief operations the district budgets should be remodelled with this object.

5. The papers before the Government of India do not furnish information as to how far the district boards in the distressed tracts complied with the above directions, nor does it appear that the district boards' budget estimates were originally framed or have since been remodelled on the lines laid down in the Famine Code. I am accordingly to request that the Government of India may be informed as to the extent to which each district board has reduced its ordinary expenditure and diverted its available resources to famine relief. The Government of India recognise that there are certain branches of the expenditure of the boards which are obligatory and incapable of reduction; but there are others which are capable of reduction below the ordinary level when reduction is required to enable the boards to meet expenditure on famine-relief works. I am directed to request that statements may be prepared dividing the expenditure of each of the boards as entered in the budget estimates for 1896-97 and 1897-98 into those two categories; and that the expenditure falling under the second category may be carefully examined to ascertain whether all possible reductions were made in 1896-97 and what reductions can still be made in 1897-98 with the object of making funds available to meet famine expenditure.

6. If the boards have contributed in a reasonable measure towards the relief of famine, then the Government of India will willingly bear their share out of Imperial funds, so far as Provincial cannot meet the burden. But if they have not, the question will arise to what extent Imperial funds may legitimately be required to make up for any shortcomings on the part of the local authorities, who, having the legal power to direct towards famine relief the funds under their control, have not sufficiently done so.

7. I am to add that, so far as the balances of District funds are concerned, the Government of India would be prepared (where such a step is necessary to enable Local funds to meet the famine obligations imposed upon them) to advance to the board concerned such amounts as may be required for working balances, recovering them by instalments spread over the next three or four years.

ORDER—No. 741, Financial, dated 10th September 1897.

Communicated to the Local and Municipal Department, with the request that the information specified in paragraph 5 of the letter of the Government of India may be furnished to the Financial Department at an early date.

(True Extract.)

Chief Secretary.

To the Local and Municipal Department.

Financial (1897) Dept.
CURRENT NO 2774

GOVERNMENT OF INDIA.
FINANCE AND COMMERCE
DEPARTMENT.

ACCOUNTS AND FINANCE
Estimates, etc.

TO

THE CHIEF SECRETARY TO THE
GOVERNMENT OF MADRAS.

No. 3863-A.

Dated Simla, the 31st August 1897.

Recd 6 } Sept. '97
Regd 7 }
S.C. 3

Amount of famine expenditure to be charged to
Local Funds in Madras in 1897-98.

C. G. Press, Simla.--No. 742 C. .--31-8-97.--50.

C.S.
P.S.

Order No. 741 of 10th Sept 97

Communicated to
the Law Dept with the
request that the information
specified in para 5 of the
above letter may be furnished
to the Financial Dept. at an
early date

Cues
10.9.97

10/9/97

Law Dept 5. Sept 97

S.C. to Form in file

No. 3863-A.

GOVERNMENT OF INDIA.
FINANCE AND COMMERCE DEPARTMENT.

ACCOUNTS AND FINANCE,
Estimates, etc.

TO

THE CHIEF SECRETARY TO THE GOVERNMENT OF
MADRAS.

Simla, the 31st August 1897.

SIR,

I am directed to acknowledge the receipt, with endorsement No. 471, dated the 12th June 1897, of the Proceedings of the Government of Madras, No. 470 of the same date, in paragraph 5 of which the Local Government discuss the proposal of the Government of India that local funds should be charged with five lakhs out of the total estimated expenditure on famine relief in Madras for the year 1897-98.

2. The Government of Madras, after reviewing the financial position of each of the District Boards in the affected areas, arrive at the conclusion that by no practicable device can local funds in those areas be directly burdened with so large a share of the expenditure now being incurred on famine relief.

3. I am to say that the Government of India regret that without further information they are unable to accept this conclusion. It seems to be based mainly on the consideration that the District Boards have as a matter of fact exhausted their balances, and has not sufficient regard to the question of the nature of the expenditure by reason of which they have so exhausted them.

4. The principle that local funds ought to bear a part of famine expenditure is a generally accepted one, and has been distinctly affirmed in the case of Madras, both in the Local Boards Act [*vide* section 95 (v)] and in the Madras Famine Code [*vide* section 33 (a)]. Under the very precise instructions contained in the latter, District Boards are required in times of serious scarcity to subordinate the ordinary objects and methods of expenditure to the special consideration of saving life and to direct their whole resources, subject only to the maintenance of absolutely necessary works in non-affected tracts, to affording relief. It is further laid down that all possible expenditure beyond that absolutely necessary for bare maintenance and establishment charges should be diverted from non-affected to affected areas, and that on the opening of relief operations the district budgets should be remodelled with this object.

5. The papers before the Government of India do not furnish information as to how far the District Boards in the distressed tracts complied with the above directions, nor does it appear that the District Boards' budget estimates were originally framed or have since been remodelled on the lines laid down in the Famine Code. I am accordingly to request that the Government of India may be informed as to the extent to which each District Board has reduced its ordinary expenditure and diverted its available resources to famine relief. The Government of India recognise that there are certain branches of the expenditure of the Boards which are obligatory and incapable of reduction; but there are others which are capable of reduction below the ordinary level when reduction is required to enable the Boards to meet expenditure on Famine Relief Works. I am directed to request that statements may be prepared dividing the expenditure of each of the Boards as entered in the Budget Estimates for 1896-97 and 1897-98 into those two categories; and that the expenditure falling under the second category may be

carefully examined to ascertain whether all possible reductions were made in 1896-97 and what reductions can still be made in 1897-98 with the object of making funds available to meet famine expenditure.

6. If the Boards have contributed in a reasonable measure towards the relief of famine, then the Government of India will willingly bear their share out of Imperial Funds, so far as Provincial cannot meet the burden. But if they have not, the question will arise to what extent Imperial Funds may legitimately be required to make up for any shortcomings on the part of the local authorities, who having the legal power to direct towards famine relief the funds under their control have not sufficiently done so.

7. I am to add that, so far as the balances of District Funds are concerned, the Government of India would be prepared (where such a step is necessary to enable Local Funds to meet the famine obligations imposed upon them) to advance to the Board concerned such amounts as may be required for working balances, recovering them by instalments spread over the next three or four years.

I have the honour to be,

SIR,

Your most obedient Servant,

J. F. FINLAY,

Secretary to the Government of India.

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Simla C No 2774 797

GOVERNMENT OF INDIA.
FINANCE AND COMMERCE
DEPARTMENT.

ACCOUNTS AND FINANCE
Estimates, etc.

To

THE CHIEF SECRETARY TO THE
GOVERNMENT OF MADRAS.

No. 3863-A.

Dated Simla, the 31st August 1897.

Amount of famine expenditure to be charged to
Local Funds in Madras in 1897-98.

C. G. Press, Simla.—No. 742 C. —31-8-97.—50.

First copy sent to Press.

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Despatched in print.

READ AGAIN G.O. No.
139

DATED

CURRENT No.

2774

ENCLOSURES TO C. No.

ORDER OF GOVERNMENT

LETTER OF GOVERNMENT.

STATEMENT WITH DITTO.

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