Government of Madras.

1898

Financial (~~1899~~) Department.

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G.O., No. 1220-1

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[Despatch Abstract.]

Famine Expenditure

Passing orders in regard to the distribution of the contribution of 5 lakhs which the Government of India insists on being realized from Local funds &c. —

Letter.

Addressing the Govt of India in regard to the contribution of 5 lakhs to be levied from Local [illegible] account Famine Expenditure.

BACK PAPERS.

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

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

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Government {1898} of Madras.

FINANCIAL.

Recd. } 1898. *Enclosures*

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G.O., No. 1220, 13th December 1898.

N P

DECEMBER.

Famine Expenditure.

Passing orders in regard to the distribution of the contribution of 5 lakhs which the Government of India insists on being realized from Local funds on account of —.

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

Read—again the following papers:—

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

Abstract.—Communicating to the Local and Municipal Department, for favour of early reply, letter from the Government of India, Finance and Commerce Department, dated 31st August 1897, No. 3863-A, on the subject of the amount of famine expenditure to be charged to Local Funds in Madras in 1897–98.

G.O., Nos. 199, 200, Financial, dated 28th February 1898.

Abstract.—Directing that the Government of India be addressed regarding the proposal to charge Local Funds with a portion of the famine expenditure incurred in this Presidency.

G.O., Nos. 379-A and 379-B, Financial, dated 18th April 1898.

Abstract.—Recording, with remarks, letter from the Government of India on the subject of the reductions in the budget estimates of 1898–99 and summarizing the amounts provided as contributions from Local Boards for famine-relief expenditure.

G.O., No. 456, Financial, dated 17th May 1898.

Abstract.—Recording Proceedings, Local and Municipal Department, No. 840 L., dated 4th May 1898, passing orders on the revised budget estimate of the Kurnool District Board for 1898–99.

G.O., No. 701, Financial, dated 15th August 1898.

Abstract.—Recording Proceedings, Local and Municipal Department, No. 1405 L., dated 8th August 1898, reducing from Rs. 50,000 to Rs. 31,000 the contribution payable to Provincial funds by the District Board of Ganjám in 1897–98 on account of famine-relief works.

G.O., No. 717, Financial, dated 20th August 1898.

Abstract.—Recording Proceedings, Local and Municipal Department, No. 1409 L., dated 8th August 1898, making certain reductions in the allotments provided in the Kurnool Local Fund budget for 1898–99, in order to increase the contribution to Provincial funds on account of famine-relief works.

G.O., No. 718, Financial, dated 20th August 1898.

Abstract.—Recording Proceedings, Local and Municipal Department, No. 1404 L., dated 8th August 1898, making certain reductions in the allotments provided in the Ganjám Local Fund budget for 1898–99, in order to provide funds to recoup Government for its past expenditure on famine-relief works.

G.O., No. 720, Financial, dated 22nd August 1898.

Abstract.—Recording Proceedings, Local and Municipal Department, No. 1428 L., dated 8th August 1898, making certain reductions in the allotments provided in the Cuddapah Local Fund budget for 1898–99, in order to increase the contribution payable to Provincial funds on account of famine-relief works.

G.O., No. 756, Financial, dated 31st August 1898.

Abstract.—Recording Proceedings, Local and Municipal Department, No. 1498 L., dated 15th August 1898, making certain reductions in the allotments provided in the Anantapur Local Fund budget for 1898–99, in order to increase the contribution to Provincial funds on account of famine-relief works.

G.O., No. 798, Financial, dated 16th September 1898.

Abstract.—Recording Proceedings, Local and Municipal Department, No. 1610 L, dated 29th August 1898. making certain reductions in the allotments provided in the Nellore District Board budget for 1898–99, in order to recoup Government for the expenditure incurred on famine-relief works.

G.O., No. 927, Financial, dated 22nd October 1898.

Abstract.—Recording Proceedings, Local and Municipal Department, No. 1652 L., dated 9th September 1898, communicating letter from the President, District Board, Kurnool, stating that cerain further reductions directed to be made in the allotments provided in the Kurnool Local Fund budget for 1898–99 are not possible.

Read—also the following papers:—

From STEPHEN JACOB, Esq., Officiating Secretary to the Government of India, Finance and Commerce Department (Accounts, &c.,—Estimates, &c., also Local Funds), to the Chief Secretary to the Government of Madras, dated Simla, 12th July 1898, No. 3055-A.

I am directed to acknowledge the receipt of your endorsement No. 379-B, Financial, dated the 18th April 1898, forwarding a copy of the order by the Government of Madras, No. 379-A, Financial, of the same date, in which it is observed that provision has been made for contributions by the Local Funds in Madras of Rs. 1,51,000 in 1897–98 and Rs. 1,44,000 in 1898–99 on account of famine-relief expenditure, and that endeavours should be made to restrict all avoidable expenditure on ordinary Local Fund works in the affected districts and to increase the contributions as far as possible.

2. It will be seen from the letters in this department, No. 1400-A., dated the 26th March 1897, and No. 710-A., dated the 10th February 1898, that both the Budget and Revised Estimates of expenditure in Madras for 1897–98 were prepared on the assumption that Rs. 5,00,000 of the total expenditure on famine relief would be passed on to the charge of Local Revenues. The Budget Estimates of District Boards for 1897–98 as originally framed made inadequate provision for contributions from local bodies towards expenditure on famine relief, the only substantial variation proposed in the ordinary rate of expenditure being a reduction of about Rs. 70,000 under 45. Civil Works—New Works, besides which provision was made in the Cuddapah District Board budget for a contribution of Rs. 20,000 towards 33. Famine

Relief. The Government of India have been unable to ascertain whether any, and what, endeavours were made, after these orders were issued, or after the apprehensions of famine expenditure in Madras were intensified, to provide, by revision of Local Boards' finance for their meeting this proportion of the famine expenditure of the province. The preliminary actuals for 1897–98 show that the ordinary expenditure in that year was only about Rs. 30,000 less than the budget estimate which itself was less than a lakh below the average expenditure of the three previous years. Under these circumstances the Government of India do not conceive themselves justified in taking upon Imperial Funds the extra liability in connection with expenditure on Famine, which has arisen from the omission to realize the full contribution required in 1897–98.

3. In paragraph 2 of the letter in this department, No. 1182-A., dated the 11th March 1898, it was decided to charge to Imperial Revenues so much of the famine expenditure in Madras as would leave the Provincial balance on 31st March 1898 at ten lakhs of rupees subject to the condition that five lakhs of the expenditure were met from Local Funds; the reason for this reservation being that the amount by which the Local Fund share is allowed to fall short of five lakhs is necessarily passed on to Imperial Revenues, unless the assignment of ten lakhs for Provincial balances on April 1, 1898, is reduced by the amount by which the recoveries from Local Funds fall short of five lakhs. The Government of India have accordingly decided (1) that the precise amount of famine expenditure to be charged to, or recovered from, the resources of Local Funds (contributions from Provincial not being included in that item) should be left to the Government of Madras to settle; (2) that the accounts of famine expenditure in 1897–98 should be so adjusted that the Provincial balance on 31st March 1898 should be less than the sum of Rs. 10,00,000 by the amount by which the sum so charged or recovered in that year and in 1896–97 under "33. Famine Relief" falls below five lakhs; and (3) that any recoveries from Local Funds made by the Madras Government at its discretion in 1898–99 and subsequent years in part payment of the five lakhs should be credited wholly as contributions to Provincial Revenues.

Copy forwarded to the Comptroller and Auditor General and to the Accountant-General, Madras, for information.

From T. HESKETH BIGGS, Esq., Accountant-General, to the Chief Secretary to Government, dated Fort St. George, 17th September 1898, No. 4345.

I have the honour to request the issue of early orders on paragraph 3 of the Government of India letter No. 3055-A., dated the 12th July 1898, regarding the adjustment of the share of five lakhs to be borne by Local Funds towards the famine expenditure incurred in the past two years, so that the necessary entries may be made in time in my supplementary accounts of 1897–98. The only orders relating to such adjustments in the accounts of 1897–98 received yet are those regarding the contribution of the Ganjám District Board—*vide* G.O., No. 1405 L., dated 8th August 1898, recorded in G.O., No. 701, Financial, dated 15th August 1898.

From T. HESKETH BIGGS, Esq., Accountant-General, to the Chief Secretary to Government, dated Fort St. George, 30th September 1898, No. L.F.D—427.

With reference to your telegram dated the 17th September 1898, I have the honour to forward herewith a statement showing by major heads the receipts and expenditure under Local Funds (Act V of 1884) of the Ganjám, Vizagapatam, Kurnool, Bellary, Anantapur, Cuddapah and Nellore districts for the years 1896–97, 1897–98 and 1898–99. The figures shown in the columns for 1896–97 and 1897–98 are the actuals and those for 1898–99 represent the sanctioned budget estimates.

From the Accountant-General, to the Chief Secretary to Government, dated 11th November 1898, No. 4962.

Enclosure.

RECEIPTS.

Districts.	Rates and Taxes.			Education.			Medical.			Interest.		
	1896–97.	1897–98	1898–99.	1896–97.	1897–98.	1898–99.	1896–97.	1897–98.	1898–99.	1896–97.	1897–98.	1898–99.
1	2	3	4	5	6	7	8	9	10	11	12	13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Ganjám	2,55,507	2,87,535	2,64,350	3,377	3,160	3,820	649	3,565	2,120	1,854	2,319	1,920
Vizagapatam	3,01,237	3,29,192	3,23,680	9,266	9,577	10,370	22,600	6,328	3,040	132	333	150
Kurnool	1,20,472	1,97,098	1,81,170	3,757	3,523	4,060	203	593	280	..	..	..
Bellary	1,14,693	2,27,746	1,85,120	5,659	5,553	6,440	279	794	1,680	5	22	60
Anantapur	49,922	1,12,850	1,07,300	3,652	3,205	4,170	181	767	240	153	171	170
Cuddapah	1,12,547	2,19,652	2,26,190	4,512	3,749	4,770	289	884	320	568	582	530
Nellore	2,77,197	2,69,799	2,81,030	6,568	6,424	5,440	102	242	170	8	6	20

Districts.	Miscellaneous.			Public Works.			Contributions.			Total.		
	1896–97.	1897–98.	1898–99.	1896–97.	1897–98.	1898–99.	1896–97.	1897–98.	1898–99.	1896–97.	1897–98.	1898–99.
	14	15	16	17	18	19	20	21	22	23	24	25
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Ganjám	19,779	18,971	21,130	5,672	914	870	10,323	1,477	3,040	2,97,161	3,17,941	2,97,250
Vizagapatam	11,021	8,199	8,740	1,997	1,960	3,300	5,078	5,371	5,770	3,51,331	3,60,960	3,55,050
Kurnool	3,903	3,126	4,950	284	1,144	10	25,693	2,280	3,060	1,54,312	2,07,764	1,93,530
Bellary	17,012	14,500	18,280	797	847	1,430	1,21,836	8,409	9,370	2,60,281	2,57,871	2,22,380
Anantapur	8,347	5,497	8,330	926	694	580	50,302	3,753	4,760	1,13,483	1,26,937	1,25,550
Cuddapah	14,144	12,765	16,010	355	184	440	42,092	1,632	2,560	1,74,507	2,39,448	2,50,820
Nellore	6,568	5,398	7,960	2,246	5,692	760	8,020	2,516	3,810	2,95,709	2,90,077	3,20,670
									*21,480			

*To cover deficits.

EXPENDITURE.

Districts.	Grant 1.			Grant 2.			Grant 3.		
	1896-97.	1897-98.	1898-99.	1896-97.	1897-98.	1898-99.	1896-97.	1897-98.	1898-99.
1	2	3	4	5	6	7	8	9	10
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Ganjám	1,57,240	1,70,193	1,78,850 — *22,520*	41,069	37,357	40,500 — *840*	59,186	64,284	57,750 — *1,455*
Vizagapatam	1,87,607	1,96,243	1,99,160	53,965	49,842	48,570	76,413	76,848	69,340
Kurnool	97,120	77,613	97,230 — *1,100*	24,891	24,266	23,990	48,055	52,119	52,030
Bellary	99,540	1,04,066	1,26,670	34,135	34,159	34,340	63,452	65,053	55,730
Anantapur	42,788	26,116	50,770 — *4,960*	24,203	20,829	21,190	35,526	46,370	47,490
Cuddapah	94,398	75,635	1,54,380 — *12,867*	30,538	27,436	29,450	57,245	56,314	53,460
Nellore	1,53,177	1,58,556	1,91,930 — *3,910*	48,698	49,794	42,010	56,261	63,908	63,780

Districts.	Grant 4.			Grant 5.			Total.		
	1896-97.	1897-98.	1898-99.	1896-97.	1897-98.	1898-99.	1896-97.	1897-98.	1898-99.
	11	12	13	14	15	16	17	18	19
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Ganjám	1,364	931	1,790 — *124*	53,096	53,331	20,860 — *72*	2,91,955	3,26,096	2,97,750 — *25,011*
Vizagapatam	3,289	3,070	1,770	{ 20,950 { 20,000	21,477	20,280	3,62,224	3,47,480	3,39,120
Kurnool	1,546	1,022	1,390	30,677	16,762	16,380	2,02,289	1,71,782	1,91,020 — *1,100*
Bellary	5,661	4,393	3,990	73,140	16,294	{ 14,570 { † 7,800	2,75,928	2,23,965	2,43,100
Anantapur	4,160	3,034	3,800 — *290*	19,415	12,673	12,720	1,26,092	1,09,022	1,35,970 — *5,250*
Cuddapah	2,603	2,569	2,320 — *1,023*	32,463	19,096	19,090	2,17,247	1,81,050	2,58,700 — *13,890*
Nellore	5,781	4,832	5,660 — *670*	22,137	23,843	28,750 — *5,000*	2,86,054	3,00,933	3,32,130 — *9,580*

† To cover deficits.

N.B.—(1) The minus figures represent the reductions made by Government from the original budgets.

(2) Rs. 8,000 is provided in the budget of the Anantapur district on account of plague charges for 1898-99 and Rs. 1,680, 1,140, 2,150 and 1,000 are provided in the budgets of the Ganjám, Kurnool, Cuddapah and Nellore districts, respectively, for 1898-99 as unforeseen charges under Grant III. No provision has been made in the budgets of Vizagapatam and Bellary on account of plague charges for 1898-99.

Order—No. 1220, Financial, dated 13th December 1898.

The report on the famine in the Madras Presidency during 1896-97 and the accounts of expenditure in the Nellore district show that a sum of 70·52 lakhs has been expended on relief works in the seven districts marginally noted. The distribution of the contribution of 5 lakhs which the Government of India insists on being realized from Local funds, if divided amongst these districts proportionately to the expenditure on works in each district, is shown in the following statement together with particulars of the direct *local* expenditure on famine in 1896-97 and of the contributions already levied :—

Ganjám.	Anantapur.
Vizagapatam.	Cuddapah.
Kurnool.	Nellore.
Bellary.	

Boards.	Expenditure on works up to date.	Distribution of 5 lakhs proportionately.	Expenditure on famine relief works by the boards in 1896-97.	Contribution levied in 1897-98.	Balance remaining to be recovered.	Contributions to Provincial on account of famine ordered in 1898-99.
1	2	3	4	5	6	7
Ganjám	3·31	·24	·03	·31	— ·10	·25
Vizagapatam	2·34	·17	..	..	·17	·26
Kurnool	21·14	1·50	·14	..	1·36	·20
Bellary	24·87	1·76	·56	·08	1·12	..
Anantapur	8·10	·57	·07	..	·50	·06
Cuddapah	10·21	·72	·12	..	·60	·48
Nellore	·55	·04	..	..	·04	·69
Total ..	70·52	5·00	·92	·39	3·69	1·94

2. The statement annexed to these proceedings exhibits the financial position for the three years ending 1898-99 of the district boards in question. It excludes transactions connected with unions and endowments other than markets, as these are not available for general purposes, but includes the probable expenditure on plague-preventive measures.

3. The position of each district board is summarized below :—

(i) *Ganjám.*—This district board has already paid ·10 lakh in excess of the amount leviable from it. The provision of ·25 lakh in the budget estimate for the current year as a contribution to Provincial funds will be cancelled and the excess amount (·10 lakh) will be re-adjusted to the credit of the district board by the Accountant-General. The board should close with a balance of ·40 lakh.

(ii) *Vizagapatam.*—This district has to contribute ·17 lakh only, but a provision of ·26 lakh has been made in the budget for the current year. The contribution of ·17 lakh should be levied at once. After meeting the estimated plague expenditure, this district should close the year with a balance of ·40 lakh.

(iii) *Kurnool.*—The balance of contribution to be recovered from this district (paragraph 1 *supra*) is 1·36 lakh. The contribution (·23 lakh) made from Provincial funds to cover deficits in 1896-97 has still to be repaid. The total amount therefore stands at 1·59. The budget for the current year contains a provision of ·20 lakh for contributions to Provincial, but as it is estimated that the district board will close the current year with no balance whatever if it meets its plague expenditure, this amount will be reduced to ·10 lakh and recovered at once. The amount remaining to be recovered will then stand at 1·49 lakh.

(iv) *Bellary.*—The recovery of any contribution from this district is impracticable at present. The appended statement shows that the district board cannot meet the plague expenditure debitable to it and that it will probably close the year with a large *minus* balance. In addition to the amount (1·12) shown in the statement in paragraph 1 *supra*, a contribution of ·57 lakh from Provincial funds made in 1896-97 to cover deficits has still to be repaid.

(v) *Anantapur.*—This district will, after contributing a sum of ·06 lakh towards Provincial in the current year, close with a balance of ·07 lakh. The contribution (·06) should be levied. The amount remaining to be recovered from the board will be ·44 lakh *plus* ·46, the contribution received in 1896-97 from Provincial to cover deficits—total ·90 lakh.

(vi) *Cuddapah.*—A sum of ·60 lakh is due from this district on account of famine (paragraph 1 *supra*) in addition to the amount (·41 lakh) advanced in 1896-97 to cover deficits, while a provision of ·48 lakh has been made in the budget for the current year as a contribution to Provincial funds. As this district will, according to the appended statement, close with a balance of ·31 lakh, a sum of ·60 lakh will be levied at once, leaving a probable closing balance of ·19 lakh. The balance to be recovered will then be ·41 lakh.

(vii) *Nellore.*—The amount to be recovered from this district is ·04 lakh only, but a provision of ·69 lakh exists in the budget for the current year as a contribution for famine charges. The sum of ·04 will be recovered and the balance (·65) will be at the disposal of the district board, which should then close the year with a balance of ·67 lakh.

4. The foregoing paragraphs are summarized below :—

District.	Portion of 5 lakhs payable.	Contribution levied.				Balance due on account of famine.	Provincial contribution made in 1896-97 to cover deficits not repaid.	Total due by each District Board (column 7 + column 8).
		Direct famine expenditure in 1896-97.	Paid in 1897-98.	Contribution now directed.	Total of columns 3, 4 and 5.			
1	2	3	4	5	6	7	8	9
Ganjám	·24	·03	·31	— ·10	·24	..	..	..
Vizagapatam ..	·17	..	..	·17	·17	..	..	..
Kurnool	1·50	·14	..	·10	·24	1·26	·23	1·49
Bellary	1·76	·56	·08	..	·64	1·12	·57	1·69
Anantapur ..	·57	·07	..	·06	·13	·44	·46	·90
Cuddapah	·72	·12	..	·60	·72	..	·41	·41
Nellore	·04	..	..	·04	·04	..	..	..
Total ..	5·00	·92	·39	·87	2·18	2·82	1·67	4·49

[Here enter letter No. 1221, Financial, dated 13th December 1898.]

(True Extract.)

G. STOKES,
Chief Secretary.

To the Accountant-General.
„ Local and Municipal Department.

Exd. T. K. Narayana Aiyangar.

ne area.

District Boards.	Budget estimate, 1898-99.							
	Probable closing balance (16 — 17).	Contribution to Provincial for famine included in column 17.	Plague.			Difference between columns 18 and 22.	Five per cent. of the receipts (column 15).	Difference between columns 23 and 24.
			Expenditure debitable according to most recent estimates.	Expenditure provided in the budget included in column 17.	Difference between columns 20 and 21.			
1	18	19	20	21	22	23	24	25
	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.
Ganjám	·23	·25	·20	·02	·18	·05	·14	— ·09
Vizagapatam	·42	·26	·16	·05	·11	·31	·17	·14
Kurnool	·15	·20	·22	·07	·15	..	·09	— ·09
Bellary	1·1	..	·35	·12	·23	— ·34	·10	— ·44
Anantapur	·11	·06	·12	·08	·04	·07	·05	·02
Cuddapah	·37	·48	·09	·03	·06	·31	·11	·20
Nellore	·14	·69	·12	..	·12	·02	·14	— ·12
Total ..	1·31	1·94	1·26	·37	·89	·42	·80	— ·38

(v) *Anantapur.*—This district will, after contributing a sum of ·06 lakh towards Provincial in the current year, close with a balance of ·07 lakh. The contribution (·06) should be levied. The amount remaining to be recovered from the board will be ·44 lakh *plus* ·46, the contribution received in 1896–97 from Provincial to cover deficits—total ·90 lakh.

(vi) *Cuddapah.*—A sum of ·60 lakh is due from this district on account of famine (paragraph 1 *supra*) in addition to the amount (·41 lakh) advanced in 1896–97 to cover deficits, while a provision of ·48 lakh has been made in the budget for the current year as a contribution to Provincial funds. As this district will, according to the appended statement, close with a balance of ·31 lakh, a sum of ·60 lakh will be levied at once, leaving a probable closing balance of ·19 lakh. The balance to be recovered will then be ·41 lakh.

(vii) *Nellore.*—The amount to be recovered from this district is ·04 lakh only, but a provision of ·69 lakh exists in the budget for the current year as a contribution for famine charges. The sum of ·04 will be recovered and the balance (·65) will be at the disposal of the district board, which should then close the year with a balance of ·67 lakh.

4. The foregoing paragraphs are summarized below :—

District.	Portion of 5 lakhs payable.	Contribution levied.				Balance due on account of famine.	Provincial contribution made in 1896–97 to cover deficits not repaid.	Total due by each District Board (column 7 + column 8).
		Direct famine expenditure in 1896–97.	Paid in 1897–98.	Contribution now directed.	Total of columns 3, 4 and 5.			
1	2	3	4	5	6	7	8	9
Ganjám	·24	·03	·31	— ·10	·24	..	..	..
Vizagapatam ..	·17	..	..	·17	·17	..	..	..
Kurnool	1·50	·14	..	·10	·24	1·26	·23	1·49
Bellary	1·76	·56	·08	..	·64	1·12	·57	1·69
Anantapur ..	·57	·07	..	·06	·13	·44	·46	·90
Cuddapah	·72	·12	..	·60	·72	..	·41	·41
Nellore	·04	..	..	·04	·04	..	..	..
Total ..	5·00	·92	·39	·87	2·18	2·82	1·67	4·49

[Here enter letter No. 1221, Financial, dated 13th December 1898.]

(True Extract.)

G. STOKES,
Chief Secretary.

To the Accountant-General.
„ Local and Municipal Department.

Exd. T. K. Narayana Aiyangar.

STATEMENT showing the financial position during 1896-97 to 1898-99 of the District Boards in the famine area.

District Boards.	Actuals, 1896-97.							Actuals, 1897-98.						Budget estimate, 1898-99.								
	Opening balance.	Receipts.	Including opening balance, columns (2 + 3).	Charges.	Closing balance (4—5).	Direct expenditure on famine included in column 5.	Contribution from Provincial to cover deficits included in column 3.	Receipts.	Including opening balance (6 + 9).	Charges.	Closing balance (10—11).	Contribution to Provincial for famine included in column 11.	Contribution from Provincial to cover deficits.	Estimated receipts.	Including opening balance (12 + 15).	Estimated charges.	Probable closing balance (16 — 17).	Contribution to Provincial for famine included in column 17.	Plague. Expenditure debitable according to most recent estimates.	Plague. Expenditure provided in the budget included in column 17.	Plague. Difference between columns 20 and 21.	Difference between columns 18 and 22.	Five per cent. of the receipts (column 15).	Difference between columns 23 and 24.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.
Ganjám	·35	2·90	3·25	2·87	·38	·03	..	3·08	3·46	3·22	·24	·31		2·81	3·05	2·82	·23	·25	·20	·02	·18	·05	·14	— ·09
Vizagapatam	·24	3·55	3·79	3·68	·11	..	..	3·44	3·55	3·29	·26	..		3·35	3·61	3·19	·42	·26	·16	·05	·11	·31	·17	·14
Kurnool	·24	1·41	1·65	1·88	— ·23	·14	·23	1·94	1·71	1·58	·13	..		1·76	1·89	1·74	·15	·20	·22	·07	·15	..	·09	— ·09
Bellary	— ·09	2·50	2·41	2·60	— ·19	·56	·57	2·38	2·19	2·08	·11	·08	*Nil.*	1·92	2·03	*2·14	— 1·1	..	·35	·12	·23	— ·34	·10	— ·44
Anantapur	·14	·99	1·13	1·10	·03	·07	·46	1·09	1·12	·91	·21	..		1·04	1·25	1·14	·11	·06	·12	·08	·04	·07	·05	·02
Cuddapah	·36	1·68	2·04	2·12	— ·08	·12	·41	2·19	2·11	1·62	·49	..		2·20	2·69	2·32	·37	·48	·09	·03	·06	·31	·11	·20
Nellore	1·56	2·82	4·38	2·74	1·64	..	..	2·80	4·44	2·91	1·53	..		2·80	4·33	4·19	·14	·69	·12	..	·12	·02	·14	— ·12
Total ..	2·80	15·85	18·65	16·99	1·66	·92	1·67	16·92	18·58	15·61	2·97	·39		15·88	18·85	17·54	1·31	1·94	1·26	·37	·89	·42	·80	— ·38

* Includes a contribution of ·08 lakh to Provincial in repayment of loan advanced to cover deficits.

Government {1898} of Madras.

FINANCIAL.

Recd.	} 1898.	*Enclosures*
Regd.		*Spare copies*

Letter, No. 1221, 13th December 1898.

DECEMBER.

Local Funds and Famine Expenditure.

Addressing the Government of India in regard to the contribution of 5 lakhs to be levied from Local funds on account of Famine Expenditure.

FINANCIAL DEPARTMENT.

Letter—from

The Chief Secretary to the Government of Fort St. George,

To

The Secretary to the Government of India, Finance and Commerce Department.

Sir,

I am directed to reply to your letter, No. 3055 A., dated the 12th July 1898, in which it is intimated that the Government of India has decided that the precise amount of famine expenditure to be charged to or recovered from the resources of Local Funds in this Presidency will be left to the Governor in Council to settle; that the accounts of famine expenditure in 1897–98 will be so adjusted that the Provincial balance on 31st March 1898 will be less than the sum of 10 lakhs by the amount by which the sum so charged or recovered in that year and in 1896–97 under 33. Famine Relief falls below 5 lakhs; and that any recoveries from Local Funds made by this Government at its discretion in 1898–99 and subsequent years in part-payment of the 5 lakhs shall be credited wholly as contributions to Provincial revenues.

2. The Government of India decline to admit, although without any argument or examination of the figures, that this Government has caused district boards to contribute towards famine expenditure in their districts as far as possible. The facts in connection with this matter have, however, been fully set out in my predecessor's letter, No. 200, Financial, of the 28th February last. In that letter it was pointed out that any material reduction of allotments for the maintenance of communications, buildings and avenues would not only seriously injure the works themselves and cause great public inconvenience, but would also entail in subsequent years additional expenditure to a disproportionate amount to make good the damage caused by neglect; that works of this nature afford in themselves very substantial relief to the famine-stricken population by giving employment to labour; that the provisions for education, medical aid, vaccination and sanitation could not be suddenly reduced without causing the gravest public inconvenience; that the last three of these services are more urgently required during periods of distress than in ordinary times; and that the maintenance of choultries, which forms another item of the expenditure of district boards, is mostly met from the receipts from the private endowments attached to these institutions. The steps taken by this Government to curtail the expenditure of the district boards concerned in order to set free funds for contributions to Provincial revenues in aid of famine-relief expenditure as well as a detailed examination of the financial position of each district board were then set out. Finally it was shown that it was out of the question that local boards in the affected tracts of the Presidency should contribute towards famine expenditure to the extent originally anticipated, and attention was drawn to the fact that in the cases of four district boards which had attempted to meet famine expenditure in 1896–97 contributions largely in excess of such expenditure had to be made from Provincial funds to cover deficits at the end of the year.

3. This letter receives no notice in your communication under reply, which in this respect confines itself to a reference to my predecessor's endorsement, No. 379 A., Financial, dated 18th April 1898, forwarding a copy of the proceedings of this Government, No. 379 A. of the same date. These proceedings, I am to observe, summarized the contributions from district boards for which the Government had made provision in the estimates of these bodies and in fact represented the result of the efforts made by this Government subsequent to the despatch of Mr. Arundel's letter, No. 200, Financial, of the 28th February 1898, to comply with the wishes of the Governor-General in Council.

4. The Government of India appears throughout this correspondence to have overlooked the fact that the law in this Presidency does not allow of local boards being treated as homogeneous, but requires them to be dealt with district by district. The sum of five lakhs might probably be considered a small amount with reference to the resources of all the district boards in the Presidency taken together, but it is a very heavy contribution when the fact is remembered that it will have to be borne almost entirely by six districts which happen to be on the whole amongst the poorest in the Presidency.

5. I am to add for the information of the Government of India that subsequent to the despatch of the communication which your letter acknowledges and before the receipt of the latter, this Government again scrutinized the budget estimates of local boards in the districts affected by famine last year in view to ascertain whether any further contributions could be made available. The process of retrenchment has been applied even to lighting charges for the remainder of the year in most districts, to the allotments for digging wells for potable water in such districts as Cuddapah, and in fact to every item which is at all susceptible of reduction.

6. Since the receipt of your letter the Governor in Council has had to consider the question of the incidence of plague expenditure which could not be foreseen when the budgets of district boards for the current year were passed. This expenditure is increasing and shows signs of further increase in the near future. All local boards have recently on this account been warned to curtail expenditure wherever possible.

7. It has been pointed out above that it is necessary in this Presidency to consider questions of local board finance district by district; but it is necessary also to remember that the objects to which the local board resources can be applied are defined by law with the result that it is only expenditure on famine works which can be met from local board funds. If His Excellency the Governor in Council apportions the five lakhs in the proportion which each board might legally pay, *i.e.*, if the five lakhs be distributed to each district in proportion to the outlay on famine works within it, the incidence of the contribution proposed by the Government of India will fall as shown in the statement below, which also exhibits the direct outlay incurred by each board on famine relief in 1896–97 and the contributions from Provincial funds given to cover deficits in 1896–97 the repayment of which is still due:—

District Board.	Portion of five lakhs to be met.	Direct famine expenditure in 1896–97.	Balance (col. 2 —col. 3).	Amount due to repay Provincial contribution in 1896–97.	Total to be paid by each board (col. 4 + col. 5).
1	2	3	4	5	6
	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.
(i) Ganjám	·24	·03	·21	..	·21
(ii) Vizagapatam	·17	..	·17	..	·17
(iii) Kurnool	1·50	·14	1·36	·23	1·59
(iv) Bellary	1·76	·56	1·20	·57	1·77
(v) Anantapur	·57	·07	·50	·46	·96
(vi) Cuddapah	·72	·12	·60	·41	1·01
(vii) Nellore	·04	..	·04	..	·04
Total ..	5·00	·92	4·08	1·67	5·75

8. The position of each of the district boards concerned is set out below in the light of information of later date than that on which previous communications on this subject were based and after taking into consideration the outlay on measures connected with the bubonic plague which these bodies will have to bear. The calculations leave out of account such items as union and endowment balances which under the law are not available for general purposes.

(i) & (ii) *Ganjám and Vizagapatam.*—The recovery of the sums of ·21 lakh and ·17 lakh, respectively, from these boards is practicable and orders have been issued accordingly.

(iii) *Kurnool.*—A provision of ·20 lakh has been made in the budget estimate of the current year for a contribution to Provincial funds on account of famine expenditure, but the plague expenditure which according to present estimates will fa l

to this board will, if this contribution is levied, cause it to close the year with a *nil* balance. As the plague estimates are merely approximate, it is impossible to levy a larger contribution than ·10 lakh during the current year. The Provincial contribution of ·23 lakh made to cover deficits in 1896–97 has still to be repaid.

(iv) *Bellary.*—A sum of ·08 lakh was recovered in 1897–98 towards famine expenditure. The recovery of any contribution in the current year is impracticable. If this board were to meet its plague expenditure as now estimated, it would close the current year with a *minus* balance of ·34 lakh. The board has still to repay the Provincial contribution of ·57 lakh granted in 1896–97 to cover deficits.

(v) *Anantapur.*—After recovering a sum of ·06 lakh in the current year the board will, it is estimated, close with a balance of ·07 lakh, or ·02 lakh in excess of the minimum working balance of 5 *per cent.* of the receipts. The board will still be indebted to Provincial funds in the sum of ·46 lakh, the amount advanced in 1896–97 to cover deficits.

(vi) & (vii) *Cuddapah and Nellore.*—The amounts (·60 and ·04 lakhs) due as famine contributions by these boards will, it is estimated, be recovered this year. The Cuddapah district board will still have to repay the Provincial contribution of ·41 lakh made in 1896–97, but this will have to be postponed as the district is estimated to close the year with a balance of ·08 lakh only in excess of the prescribed minimum working balance of 5 *per cent.* of receipts.

9. The net result of the foregoing is that the following sums are recoverable from the district boards concerned in addition to the direct famine expenditure of ·92 lakh incurred in 1896–97:—

	LAKH.
Ganjám	·21
Vizagapatam	·17
Kurnool	·10
Bellary	·08
Anantapur	·06
Cuddapah	·60
Nellore	·04
Total ..	1·26

The total contribution which can be levied from district boards is therefore 2·18 lakhs.

10. The result of the present decision of the Government of India will therefore be to throw an additional charge of (5 — 2·18 =) 2·82 lakhs on Provincial revenues, which have also suffered through the famine in having to advance to the very boards which are now unable to meet their liabilities as arbitrarily fixed by the Government of India a sum of 1·67 lakh, the repayment of which in the near future is impossible. Provincial funds will, therefore, be affected by the decision of the Government of India to the extent of 4·49 lakhs, or only half a lakh less than the entire expenditure which the Government of India has pronounced to be Local. It must also be remembered that the position of local bodies in this Presidency is under existing circumstances and with heavy plague expenditure threatening unlikely to improve for several years to come.

11. The Governor in Council trusts that the further exposition of this matter which is now afforded will convince the Government of India of the absolute impracticability of giving effect to the decision conveyed in your letter under reply, except by making Provincial funds suffer to an extent which this Government cannot but consider as detrimental to the efficient government of this Presidency.

I have the honour to be,
Sir,
Your most obedient servant,

G. STOKES,
Chief Secretary.

FORT ST. GEORGE,
13*th December* 1898.

Ed. C. M. Thumbuswamy.

Financial Consult - 1995 2

GOVERNMENT OF INDIA.

FINANCE AND COMMERCE DEPARTMENT.

ACCOUNTS, ETC.
Estimates, etc., also Local Funds.

To

THE CHIEF SECY. TO THE GOVT. MADRAS.

No. 3055-A. Dated Simla, the 12th July 1898.

Orders on the question regarding the amount of famine expenditure to be charged to, or recovered from, the resources of Local Funds in Madras.

Final settlement of the closing Provincial balance of Madras for 1897-98.

G. C. Press, Simla.—No. 684 C. F.—12-7-98.—60.

NOTES CONNECTED WITH G.O., Nos. 1220, 1221, FINANCIAL, DATED 13TH DECEMBER 1898.

[SUBJECT.—*Famine recoveries from Local Funds.*]

From the Government of India, Finance and Commerce department, No. 3055-A, dated 12th July 1898.

In framing the revised and budget estimates of famine expenditure for 1896–97 and 1897–98, respectively, the Government of India levied a contribution of 5·75 on local funds in this presidency as against 10·00 in Bombay and 12·67 in Bengal. The accounts of 1896–97 and the revised estimates of 1897–98 show a considerable diminution in the proportion recoverable in other provinces, while the amount of assessment in Madras has been steadily maintained at nearly the same figure (5·00) as will be seen from the following statement:—

Famine Expenditure in 1896–97 *and* 1897–98.

Page 8 of G.O., 470, Financial, 12th June 1897.	Revised estimate, 1896–97.	Budget estimate, 1897–98.	Total.	Civil estimates, 1898–99, pages 4 and 5.		
				Actuals, 1896–97.	Revised estimate, 1897–98.	Total.
IMPERIAL.						
North-Western Provinces.	110·00	85·00	195·00	99·33	106·90	206·23
Punjab	..	12·60	12·60	2·43	..	2·43
Bengal	..	70·13	70·13	..	54·60	54·60
Central Provinces	20·50	67·79	88·29	29·53	133·90	163·43
Bombay	18·99	57·03	76·02	30·02	96·40	126·42
Madras	..	1·93	1·93		71·24	71·24
Other Provinces	7·30	·13	7·43	5·59	·82	6·41
Total ..	156·79	294·61	451·40	166·90	463·86	630·76
PROVINCIAL.						
North-Western Provinces.	..	..	..	..	..	..
Punjab	2·31	..	2·31	3·11	10·05	13·16
Bengal	18·50	22·18	40·68	21·55	30·78	52·33
Central Provinces	..	..	..	..	..	..
Bombay	6·11	..	6·11	2·40	..	2·40
Madras	3·25	13·11	16·36	4·71	16·62	21·33
Other Provinces	..	6·51	6·51	..	6·26	6·26
Total ..	30·17	41·80	71·97	31·77	63·71	95·48
LOCAL.						
North-Western Provinces.	..	..	..	..	..	..
Punjab	3·28	4·18	7·46	3·07	2·51	5·58
Bengal	4·50	8·17	12·67	2·87	3·56	6·43
Central Provinces	1·00	·21	1·21	·80	·10	·90
Bombay	..	10·00	10·00	·15	·15	·30
Madras	·75	5·00	5·75	·92	5·00	5·92
Other Provinces	·08	·15	·23	·08	·01	·09
Total ..	9·61	27·71	37·32	7·89	11·33	19·32
Total, Imperial, Provincial and Local ..	196·57	364·12	560·69	206·56	538·90	745·46

LOCAL FUND BALANCES.

Budget, 1898–99.	Revised, 1897–98.	Actuals, 1896–97.	Actuals, 1895–96.
Closing balances.			
8·29	7·65	6·06	9·57
14·51	13·47	14·86	19·52
16·59	17·39	17·42	12·91
3·26	3·32	4·67	5·72
29·26	30·54	34·37	38·60
19·62	29·60	38·66	41·48
9·28	14·87	14·83	17·38
100·81	116·84	130·87	145·18

In fixing the amount of 5 lakhs originally, the Government of India appears to have been misled * by the very large closing balances shown under local funds in the Madras accounts of 1895–96, viz., 41·48 † lakhs, against much smaller balances elsewhere ‡. But 18·03 out of this sum belonged to the village service fund, and no more than 22·69 to local funds (Act V of 1884). India has not only ignored this but also the facts that the balance of one district cannot legally be appropriated for expenditure in another and that most of the district boards in the famine zone had very small balances of their own.§

* Sir James Westland's words in Financial statement, page 7 of G.O., 470, 12th June 1897. "They will manage between Provincial and Local" with their balances.

† G.O., 69, Financial, 25th January 1897.

‡ Bombay is shown with a balance of 38·60. C. M. Schmidt.

§ Page 58 of G.O., 2368 L., 14th December 1896.

Balance on 31st March 1896.

Anantapur ..	15	Vizagapatam ..	·24
Bellary ..	·08		
Cuddapah ..	·32	Total ..	1·29
Kurnool ..	·26		
Ganjám ..	·24		

2. These matters were fully explained in the several letters and proceedings of this Government quoted below :—

No. 163, Financial, 18th February 1897.
„ 470 „ 12th June 1897 (paragraph 4).
„ 200 „ 28th February 1898.
„ 379 B. „ 18th April 1898.

But the Government of India has been persistently urging the recovery of the full sum of 5 lakhs without indicating how the money is to be recovered or distributed among the several district boards concerned.

Paragraph 4 of letter 1334-A, 22nd March 1897. Paragraph 5 of letter 1400-A., 26th March 1897.	Page 9 of G.O., 470, Financial, 12th June 1897.
Letter 3863-A, 31st August 1897.	G.O., 741, Financial, 10th September 1897.
„ 5398-A, 14th December 1897.	Page 5 of G.O., 199–200, Financial, 28th February 1898.
Paragraph 2 of letter 1182-A, 13th March 1898.	Page 3 of G.O., 379-A, 18th April 1898.
Letter 3055-A, 12th July 1898.	(Under disposal).

The result is that this Government has been driven to the necessity of enforcing economies in every direction and issuing orders for the appropriation of every available balance—

G.O., No. 133, Financial, 8th February 1897.
„ „ 157 „ 18th „ 1898.

Honourable Member's orders on the Vizagapatam local fund budget (G.O., 541 L., 23rd March 1898) and in the Ganjám file (G.O., 1404 L., 8th August 1898).

3. The process of retrenchment has now been applied by the Local and Municipal department to the various budget estimates for 1898–99 already passed by Government but the reductions amount to no more than ·52 lakh as shown below :—

	LAKH.
Ganjám	·25
Anantapur	·05
Kurnool	·01
North Arcot	·07
Cuddapah	·14
Total ..	·52

although the shears have been extended even to lighting charges for the remainder of the year in most of the districts and to the cost of digging wells and other *necessary* works in such places as Cuddapah.

Details of proposed reductions.

		RS.
	Ganjám—	
G.O., 1404 L., 8th Aug. '98.	New building for the office of the District Medical and Sanitary officer	7,900
	Communications	12,990
	Maintenance of roads	1,630
	Result grants	800
	Increase of salaries of schoolmasters	40
	„ „ „ clerks and peons	64
	Conservancy establishment	1,391
	Servant for native choultry at Haripur	24
	Lighting charges	100
	Muchi in the District Board's office	72
	Total ..	25,010
	Anantapur—	
G.O., 1498 L., 15th Aug. '98.	Roads in Gooty and Penukonda	4,960
	Lighting charges	290
	Total ..	5,250
	Kurnool—	
G.O., 1409 L., 8th Aug. '98.	The road from Pyapalli to Garladinne	500
	Chinna Cumbum road	600
	Total ..	1,100
	North Arcot—	
	New public works in unions	550
	Maintenance of roads	4,130
	Madras-Cailcut trunk road to Kolathur village	150
	Lighting charges	2,270
	Total ..	7,100
	Cuddapah—	
G.O., 1428 L., 8th Aug. '98.	Digging wells and other necessary works	12,867
	Lighting charges	1,023
	Total ..	13,890

4. The total recoveries, including * the direct outlay incurred by local funds in 1896–97, aggregate 4·51 lakhs as shown below :—

* This has been approved by India—*vide* paragraph 10 (1) *infra*.

District.	Direct local fund expenditure on famine in 1896-97, page 55 of G.O., 2474 L., 31st December 1897.	Recoveries—G.O., 379 A., Financial, 18th April 1898. 1897-98.	Recoveries—G.O., 379 A., Financial, 18th April 1898. 1898-99.	Recoveries—Local fund drafts now come for C.I. (G.Os., 1404 L., 1409 L., 1428 L., 8th August 1898, and 1498 L., 15th August 1903), G.O., 840 L., 4th May 1898.	Total recoveries.	Debts due to Provincial.	Net local fund balance available for general purposes, on 31st March 1899.
1	2	3	4	5	6	7	8
Ganjám	·03	‡ ·50	..	·25	·78	‖ ·33	·14
Vizagapatam	..	·11	·26	..	·37	.	·17
Anantapur	·07	·01	·01	·05	·14	·46	·05
Nellore	..	·35	..	..	·35	..	·14
Bellary	† ·56	·08	..		·64	·57	·09
Kurnool	·14	·18	·07	§ ·12 / ·01	·52	·23	·09
Cuddapah	·12	·28	·34	·14	·88	·41	·11
Trichinopoly	..	..	·33	..	·33	..	·12
Chingleput	..	..	·05	..	·05	..	·11
North Arcot	..	..	·38	·07	·45	..	·18
Total ..	·92	1·51	1·44	·64	4·51	¶ 1·67	1·20

† Including a Provincial contribution of ·50 given for roads but spent on famine (G.O., 1658, Financial, 3rd October 1896).

‡ Reduced by ·19 or to ·31 in the draft order of the Local and Municipal department (G.O., 1404 L, 8th August 1898).

§ G.O., 840 L., 4th May 1898.

‖ Not included in the total, being the balance of an advance of 1·62 made in 1888–91 (G.O., 182, Financial, 13th February 1892) waived by G.O., 1021, Financial, 17th December 1895.

¶ Advances to cover deficits adjusted in 1896-97—*vide* page 12 of Financial statement for 1898-99.

5. If the share recoverable from each local board is to be determined by the actual outlay incurred on roads and communications within the district during the famine, the figures will stand as follows :—

Cost of Famine relief works—November 1896 to November 1897.

Appendix VIII, Vol. II, of Famine report.

Districts.	Taluks.	Cost of Communication.	Cost of Irrigation.	Cost of Miscellaneous works.	Total.
		LAKHS.	LAKHS.	LAKHS.	LAKHS.
Ganjám	Berhampur	·10	·28	..	·38
	Parlákimedi	·01	..	·01	·02
	Ichchhápuram	·62	..	·01	·63
	Sómpéta	·41	..	·12	·53
	Purushottapur	·51	·16	..	·67
	Ganjám	·34	..	·22	·56
	Tekkali	·16	..	·07	·23
	Total ..	2·15	·44	·43	3·02
Vizagapatam	Bobbili	·06	..	..	·06
	Chipurupalli	·10	..	·02	·12
	Vizianagram	·50	..	..	·50
	Bimlipatam	·66	..	·01	·67
	Vizagapatam	·50	..	..	·50
	Sarvasidhi	·02	..	·07	·09
	Total ..	1·84	..	·10	1·94
Kurnool	Pattikonda	3·15	·19	..	3·34
	Ramallakota	2·83	..	..	2 83
	Nandyal	1 91	..	..	1·91
	Koilkuntla	4·21	..	..	4·21
	Sirvel	1·58	·26	..	1·84
	Total ..	13·68	·45	..	14·13

Cost of Famine relief works—November 1896 to November 1897—*cont.*

Appendix VIII, Vol. II, of Famine report—cont.

Districts.	Taluks.	Cost of Communication.	Cost of Irrigation.	Cost of Miscellaneous works.	Total.
		LAKHS.	LAKHS.	LAKHS.	LAKHS.
Bellary	Adóni	6·50	·24	..	6·74
	Alúr	9·88	..	·01	9·89
	Bellary	2·97	·01	·05	3·03
	Hospet	1·52	·16	..	1·68
	Hadagalli	·66	·50	..	1·16
	Kudligi	·22	..	..	·22
	Total ..	21·75	·91	·06	22·72
Anantapur	Tadpatri	2·63	..	·01	2·64
	Gooty	1·76	·16	·02	1·94
	Anantapur	·83	·05	..	·88
	Dharmavaram	·85	·34	·01	1·20
	Kalyandrug	·07	..	..	·07
	Penukonda	·13	..	·01	·14
	Hindupur	..	·01	..	·01
	Total ..	6·27	·56	·05	6·88
Cuddapah	Cuddapah	1·66	·09	..	1·75
	Proddatur	·86	1·18	..	2·04
	Jammalamadugu	1·87	·70	..	2·57
	Pulivendla	2·13	·23	..	2·36
	Total ..	6·52	2·20	..	8·72
	Grand Total ..	52·21	4·56	·64	57·41

Districts.	Communications.	Percentage.	Share of 5·00 payable.
	LAKHS.	LAKHS.	LAKHS.
Ganjám	2·15	4·12	·21
Vizagapatam	1·84	3·53	·18
Anantapur	6·27	12·01	·60
Bellary	21·75	41·65	2·08
Kurnool	13·68	26·21	1·31
Cuddapah	6·52	12·48	·62
Total ..	52·21	100·00	5·00

Districts.	Expenditure on famine roads.	Proportion of 5 lakhs.	Proposed recoveries.
Ganjám	2·15	·21	·78
Vizagapatam	1·84	·18	·37
Anantapur	6·27	·60	·14
Bellary	21·75	2·08	·64
Kurnool	13·68	1·31	·52
Cuddapah	6·52	·62	·88
Total ..	52·21	5·09	3·33

6. If the share payable is to be determined by the paying capacity of the board, as judged by the total estimated receipts in 1898–99, the results are—

Districts.	Estimated income.	Proportion of 5 lakhs.	Proposed recoveries.
Ganjám	2·97	·55	·78
Vizagapatam	3·55	·66	·37
Anantapur	1 26	·23	·14
Nellore	3·21	·60	·35
Bellary	2·22	·41	·64
Kurnool	1·94	·36	·52
Cuddapah	2·51	·47	·88
Trichinopoly	2·74	·51	·33
Chingleput	2·38	·44	·05
North Arcot	4·15	·77	·45
Total ..	26·93	5·00	4·51

7. It will thus be seen that from every point of view the proposed recoveries are out of all proportion to the shares reasonably leviable.

The principle adopted in apportioning plague expenditure cannot be applied to famine.
C.M.S.

Then again, unless all district boards are called upon to contribute as in the case of plague expenditure (G.O., 547, Financial, 18th June 1898), *e.g.*, in the shape of contributions between Local and Local for improvement of sanitation, communications, etc., the proposed recoveries from Trichinopoly (·33), Chingleput (·05), and North Arcot (·45) cannot legally * be insisted on. This makes a deduction of ·83; then Ganjám is apparently to give only ·31 and not ·50 for 1897–98; this cuts off ·19. These deductions aggregate (·83+19 =1·02), leaving a recovery of 4·51—1·02 or 3·49 for the three years to be got out of the poorest and most seriously affected districts. The question thus presents considerable difficulties which are still further enhanced by a consideration—

* Unless famine breaks out in those districts. It will do no harm to keep the contributions in the budgets of the local boards even if Provincial cannot utilize them. This 1·02 cannot be counted on at present however.
C.M.S.

These considerations lead to much wider questions than that raised in the present papers which is briefly "How is Provincial to obtain this 5 lakhs from Local?" It must get the 5 lakhs or suffer itself.
C.M.S.

(i) of the *dreadful* frequency with which famine reappears in a more or less aggravated form in all the affected districts,

Liability to famine and frequency of attacks, pages 3 and 8 of Famine report, Vol. I.

Ganjám.	Kurnool.	Bellary.	Anantapur.	Cuddapah.
1792	1804	1792	1792	1800
1836	1810	1803	1803	1805
1839	1824	1824	1823	1823
1865	1833	1833	1832	1833
1871	1853	1838	1838	1865
1872	1866	1844	1843	1876
1878	1873	1853	1844	1891
1889	1876	1866	1845	1896
1892	1884	1876	1853	
1896	1891	1877	1854	
	1896	1878	1866	
		1881	1876	
		1884	1877	
		1888	1878	
		1896	1884	
			1891	
			1896	

and (ii) of the *imperative* necessity that exists for energetic action to minimise the effects of further attacks by an extension of irrigation, railway communications, water-supply, etc., which can only be done by largely increased *grants* from Provincial to Local, instead by enforcing retrenchments of this character, which practically take away that little from the very † little which local funds are left with by nature in these parts.

The cases of these local boards are not worse than the plight of Provincial which knows not where to turn for funds.
C.M.S.

† The available balances in all the ten districts enumerated in paragraph 4 *supra* aggregate 1·20! (column 8 of statement on p. 4).

Further most of these districts are on the frontier and before quite emerging from the effects of the late famine they have been called upon to grapple with the still more serious problems connected with the plague.

8. As a way out of the difficulty, the Government of India offered in paragraph 7 of its letter recorded in G.O., 741, Financial, 10th September 1897, to advance to the boards concerned such amounts as may be required for working balances—these advances to be recovered by instalments spread over the next three or four years. As a matter of fact, however, such advances have already been made direct from Provincial funds to cover deficits in 1896–97. One direct result of enforcing further contributions from these deficit districts will be to increase these deficits which are automatically adjusted against Provincial funds by the Accountant-General under article 1359 (1) of the Civil Account Code.

From Provincial to Local.

Contributions to cover deficits in 1896–97.

	Lakhs.	Lakh.
Anantapur	·46	·04
Bellary	* ·57	—·06
Kurnool	·23	—·21
Cuddapah	·41	—·06
Total ..	1·67	—·29

* In addition to the ·56 given for roads—*vide* page 12 of Financial statement for 1898–99.

I don't follow these figures. From page 56 of † G.O., No. 2474 L., dated 31st December 1897, it appears that the closing balances of the local boards were as shown above. How do you get — 1·67? And, whatever the minus balance, has it not already been recovered in 1897–98?
H. W. B[liss].

† This argument is not conclusive. If Imperial granted a district board a loan, the district board would have to make provision for the repayment in its budget and to keep its expenditure within its budget. The automatic covering of deficits referred to does not absolve district boards from keeping to their estimates, and when their receipts are likely to fall on account of bad seasons the boards should be compelled to look to their balances.
C.M.S.

But this argument equally applies to local boards repaying Provincial the amounts transferred to put their balances right.
H.W.B.

G.O., 133, Financial, 8th February 1897.

Government of India Resolution 19-B-O.—A.C.W., 22nd March 1898, in G.O., 542, Financial, 15th June 1898.

9. In paragraphs 3 and 4 of G.O., 731, Financial, 8th September 1897, the Accountant-General was requested to ascertain in communication with the Revenue and Local and Municipal departments how much of the total famine expenditure would, in the absence of famine, have ordinarily been incurred by local boards and to adjust that amount against *Local*, treating the remainder as *Provincial*. It is understood that the Accountant-General has submitted his report on the subject, but the Revenue department has not yet passed final orders.

The Public Works department originally maintained a very careful distinction as regards the works they undertook, and classed under local all works which, but for the famine, would have been carried out by the local boards concerned, but under subsequent orders everything was made first Provincial and then Imperial. Now that the works have been closed and the expenditure thereon clearly recorded (appendix VIII of the famine report), the departments concerned must be easily able to determine what works would in ordinary course have been treated as local. This work of redistribution will however take some time, while orders have to be passed immediately to enable the Accountant-General to close the final accounts of 1897–1898; and this cannot be done without determining how much of the five lakhs should exactly be apportioned among the several district boards.

10. Such being the difficulties of the situation, the Government of India letter No. 3055 A, dated 12th July 1898 (under disposal) comes in as a great relief. In this letter, India first recapitulates the history of the question from its own point of view, and after repeating the complaint that no real efforts have been made to recover the full sum of five lakhs, and without noticing the explanations given in this Government's exhaustive reply No. 200, dated 28th February 1898, it proceeds to lay down the course to be adopted in the accounts of 1897–98, viz.:—

? ? ?
C.M.S.

(i) the actual expenditure incurred direct by local funds from the beginning of the famine in 1896 will be taken as part of the contribution of 5 lakhs but exclusive

of Provincial grants. The actuals were ·92 lakh up to February 1897, including a Provincial contribution of ·50 to the Bellary district board, which was first given for roads but afterwards utilised for famine. It is doubtful whether this ·50 should be included or excluded.

G.O., 658, Financial, 3rd October 1896.

It is submitted that the ·50 should not be deducted from the local famine expenditure in Bellary in 1896–97.

C.M.S.

It ought to be, but I don't see how we can afford to do it. I wonder how far the necessary metal required for roads intended to be metalled with this half lakh was provided by famine labour.

H. W. B[LISS].

(ii) Deducting from 3·49 * the above amount (·92 or ·42) the balance recoverable is 2·57 or 3·07, but the Madras Government will be at liberty to recover or waive what it likes.

* *Vide* paragraph 7 on page 6.

(iii) If it does not recover the full sum of 5 lakhs, the penalty will be that the minimum Provincial balance of 10 lakhs guaranteed by India for 1897–98 will be reduced *pro tanto* in other words, the Imperial expenditure under 33. FAMINE-RELIEF will be diminished and the Provincial proportion raised by the amount of the aggregate recovery falling short of 5 lakhs.

(iv) On the other hand, the Provincial Government will be at liberty to recover the deficit in future years and take credit for it under Provincial, *i.e.*, in the same way as will be done with the 1·67 advanced in 1896–97 to the four districts mentioned in paragraph 8 *supra* (*Note*—Other famine recoveries are credited to Imperial under G.O., No. 184, Financial, dated 24th February 1898).

There is something in this argument. Provincial is hopelessly bankrupt for the period of the existing contract. This being so, it really does not much matter by how large a sum it is bankrupt.

H.W.B.

11. Submitted that this decision may be accepted as satisfactory. It does not matter very much for Provincial, whether the minimum balance is retained at 8 lakhs or 18 lakhs, so long as this Government cannot utilise the money, and India allows expenditure of all the Provincial income up to the limit. In 1890 the Provincial balance stood at 79·76 lakhs, and was of no more use to this Presidency than the 10 lakhs lately reserved by India. On the contrary, India appropriated 17½ lakhs for its own purposes, and this amount together with a similar benevolence of 6 lakhs made in 1886–87, making a total of 23½ lakhs, still remains unadjusted. Query, if India should not be asked to deduct this amount from the Imperial Famine expenditure of 1897–98, treating the amount as repaid to Provincial under I. LAND REVENUE—*Adjustments* and raising the Provincial share of famine expenditure, so that India may not hereafter speak of its great benevolence to this Presidency in the matter of famine, etc.

G.O., 904, 29th December 1896.

It was of great use in enabling Provincial to formulate schemes of improvement with a certain amount of success—not as at present to postpone schemes, however desirable, because of low balances.

C.M.S.

But India has accepted a much larger sum than this against Imperial for recent famine expenditure.

A. T. A[RUNDEL].

All this is beside the point whether or not local boards can or should contribute 5 lakhs towards famine expenditure. India's sins in this direction have already been pointed out to it on more than one occasion, but a recital of them is no answer to the present question.

C.M.S.

12. As regards the recoveries to be actually effected from the district boards, it is submitted—

(1) that all *non-affected* districts should *for the present* be relieved of the liability to contribute towards the 5 lakhs (unless the whole Presidency is assessed).

There can, it is submitted, be no doubt that they should be exempted altogether.

C.M.S.

H.W.B.
A.T.A.

(ii) that the Local and Municipal department should be authorised to retrench only such expenditure as can be altogether avoided or postponed without detriment to the welfare of the people in the affected areas, who have to live in perpetual dread of famine and plague, at all events to a greater extent than elsewhere.

It is doing this and nothing else.

C.M.S.

The longer this decision is deferred the less likely is Provincial to get the money ultimately.

C.M.S.

(iii) that the determination of the actual amounts to be recovered from the Deccan districts (including the advance of 1·67 made in 1896–97) may be postponed for a year, *i.e.*, until the accounts of 1898–99 are closed.

Vide statement in paragraph 4 on page 4 *supra*.

(iv) that no more than 1·30 be recovered at present, say,

·31 from Ganjám.
·37 from Vizagapatam (practically immune from famine).
·62 from Cuddapah (leaving the closing balance at 1l as in the budget).

1·30

which added to the ·92 levied in 1896–97 makes up a recovery of 2·22 and

(v) that the remainder 5·00—2·22 or 2·78 be treated as contributions to local funds reducing the Provincial balance of 1897–1898 to 7·22 lakhs.

13. No provision has been made for famine relief in the current year in any other province except Madras, as will be seen from the following statement:—

DETAILS of famine expenditure in 1896–1897 and 1897–1898.

33. Famine Relief.		Budget, 1898–1899.				Revised, 1897–1898.				Actuals, 1896–1897.			
		Imperial.	Provincial.	Local.	Total.	Imperial.	Provincial.	Local.	Total.	Imperial.	Provincial.	Local.	Total.
			LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.
India ..	Civil	..	..	..	..	·82	..	..	·82	·10	..	·02	·12
Central Provinces.	Civil	..	..	·01	·01	42·40	..	·10	42·50	12·73	..	·80	13·53
	Public Works ..	..	..	..	..	91·50	..	..	91·50	16·80	..	..	16·80
Burma ..	Civil	..	..	..	..	..	·43	·01	·44	·13	..	·06	·19
	Public Works ..	..	..	..	..	..	5·83	..	5·83	5·36	..	..	5·36
Bengal ..	Civil	..	..	..	..	54·60	30·78	3·56	68·94	..	18·35	2·87	21·22
	Public Works ..	..	..	..	..	20·00	..	..	20·00	..	3·20	..	3·20
North-West Provinces and Oudh.	Civil	..	..	..	..	34·50	..	..	34·50	21·33	..	..	21·33
	Public Works ..	..	..	..	..	72·40	..	..	72·40	78·00	..	..	78·00
Punjab ..	Civil	..	..	..	..	..	·05	1·36	1·41	..	·06	·35	·41
	Public Works ..	..	..	..	..	..	10·00	1·15	11·15	2·43	3·05	2·72	8·20
Madras ..	Civil	..	4·00	..	4·00	4·38	16·62	5·00	26·00	..	1·40	·92	2·32
	Public Works ..	..	4·50	..	4·50	66·86	..	..	66·86	..	3·31	..	3 31
Bombay ..	Civil	..	..	..	..	23·25	..	·15	23·40	..	2·40	·15	2·55
	Public Works ..	..	..	..	..	73·15	..	..	73·15	30·02	..	..	30 02
	Total ..	..	8 50	·01	8·51	463·86	63·71	11·33	538·90	166·90	31·77	7·89	206.56

It does not do to follow until one is out of the wood. Plague has to be provided for. We only provided, I think, ·50 for this. We must have spent more than that already and appropriations for plague will now have to be made from this 8·50.

H. W. B[LISS].

down at nearly 20 lakhs as shown below :—

Against this we have to meet plague expenditure (say 1 lakh in addition to the (·50 in the budget). Additional Munsifs (about ·20).

C.M.S.

Assuming that the next monsoon will be favourable, a good portion of the 8·50 provided for this purpose may be treated as added to the minimum reserve, so that the total Provincial assets may be set

Otherwise another 95 lakhs or 50 may be required.

Balance as above	7·22
Add probable savings under famine and possible improvement in revenue with arrear collections	8·33
Contributions to local funds given in 1896–97	1·67
Contributions now added	2·78
	20·00

I should not deal with the aggregate closing balances. I should show only the figures of the famine districts.

H.W.B.

Yes. The point to be insisted on is that no one district can be made responsible for another nor can one district assist another.

A. T. A[RUNDEL].
A. E. H[AVELOCK].

14. India may then be addressed in the above terms and its attention drawn again to the extremely unfair treatment vouchsafed to this Presidency, where the aggregate closing balances under local funds have fallen enormously as compared with other provinces as shown below (*vide* statement on page 1) :—

	1895–96.	1898–99.	Difference.
Madras	41·48	19·62	—21·86
Bombay	38·60	29 26	— 9·34
Bengal	12·91	16·59	+ 3 68
Punjab	19·52	14·51	— 5·01
North-Western Provinces	9·57	8·29	— 1·28

and yet the recoveries on account of famine are enforced at invidiously high rates in this presidency :—

District.	Original estimates.	Present estimates.	Difference.
Madras	5·75	5·00	— ·75
Bombay	10·00	·30	— 9·70
Bengal	12·67	6·43	— 6·24
Punjab	7·46	5·58	— 1·88
North-West Provinces	*Nil.*	*Nil.*	*Nil.*

There may of course be hundreds of explanations accounting for these differences of treatment, but when India itself, which ought to know fully the peculiar circumstances of each and every one of the several provinces, ignores such important and patent facts as those pointed out in paragraph 1 of this note, this Government (which can profess to know nothing of other Provinces) may well ignore the various latent factors causing these striking discrepancies on the face of the figures.

A. CHINNASAWMI MUDALIAR—28-7-98.

For the Chief Secretary—

The foregoing note, which sets out the facts, is submitted although the conclusions cannot, it is thought, be accepted. The proposals are made from the point of view of the local boards alone, but it is submitted that the question should be decided on broader grounds. In 1897–98, district boards were exempted from all direct famine expenditure and it would scarcely be equitable to Provincial funds, now that the day of settlement has arrived, to make the local contribution merely nominal. No

This was only a temporary exemption, for convenience of working.

H.W.B.

object would, moreover, be gained by deferring the settlement of this question. On the other hand, unless district boards clearly understand at once that Government is in earnest as regards this famine recovery and make up their minds to curtail their expenditure wherever possible, it is highly improbable that Provincial will ever get the 5 lakhs. As pointed out at the end of paragraph 8 (page 7) of the foregoing note, there is always the danger of the automatic adjustment against Provincial funds of the deficits of district boards; but if the boards are kept well within the expenditure side of their budgets, these deficits should be possible only when there is an unexpected fall in the anticipated receipts of the year. Even in such cases it is submitted that the district board should be made to endeavour to close without a deficit by restricting expenditure. This would save these unexpected calls upon Provincial or would, at all events, minimize them at times when Provincial itself is probably seeing its estimated balance dwindling. Local and Municipal might, it is thought, be asked to call attention to these matters.

H. W. B[LISS].

H.W.B.

2. As regards the general question of debiting famine expenditure to local funds, it is submitted that there is no reason why they should not bear their share of the calamity which happened to the Presidency. This share (·5 lakh) is a small fraction of the total expenditure, and it can be spread over two or three years. It is submitted that the orders already issued and about to issue in regard to recoveries should be maintained whether the amounts to be recovered from individual district boards will require to be adjusted with reference to the orders passed on the papers referred to in paragraph 9 (page 7) of the note can, it is thought, be decided hereafter.

Yes : of course if India should give way after another representation, the orders will be revised.

A. T. A[RUNDEL.]
A. E. H[AVELOCK].
H.W.B.

3. The note shows that the following recoveries are feasible and it is submitted that the Accountant-General may be directed to adjust them to the credit of Provincial as early as possible :—

Recoveries already directed.	
(1·51 + 1·44 =)	2·95
Deduct—	
Abatement for Ganjám ..	·19
Trichinopoly	·33
Chingleput	·05
North Arcot	·45
——	1·02
	1 93
Recoveries to be made under Local and Municipal orders issuing	·64
	2·57
Add actual booked local outlay in 1896–97, which India agrees to being taken in abatement of the 5 lakhs ..	·92
Total ..	3·49

Local and Municipal might be requested to bear in mind the necessity for further recoveries being provided for to the extent of 1·51 lakhs when passing the budgets next year and reminded of India's offer in regard to the grant of loans to local boards which are unable to meet their famine expenditure.

C. M. SCHMIDT—31-7-98.

H.W.B.

H. M. and circ.—

The first point which it is necessary to take into consideration in connection with this matter is what district boards can be called on to contribute for famine. Since the funds of a district board cannot be legally applied outside the limits of its district, it would seem to follow that no demand for famine expenditure can be made against Chingleput, North Arcot and Trichinopoly. On the other hand, there was famine expenditure in Gódávari, but except the poor-house at Cocanada for which the local fund board paid, it was all in Bhadráchallam which is outside the local fund district. There were some test works opened in Kistna, but the work was paid for by local funds. We may therefore confine our attention to the districts of Ganjám, Vizagapatam, Kurnool, Bellary, Anantapur, Cuddapah and Nellore.

H. W. B[LISS].

2. India has said that it will take 5 lakhs from Provincial balances and leave it to Provincial to recover as much or as little as it can or pleases from the local fund boards. The direct expenditure on famine by the local fund boards above referred to was ·92 lakh. The recoveries in 1897–98 are to be 1·32, those in 1898–99 are ·68 + ·57 = 1·25 lakhs or a total in all of 3·49 lakhs which leaves a balance out of the 5 lakhs of 1·51 due to Provincial.

3. But besides this sum, there is an item of 1·67 lakhs. Provincial is the banker of local funds and it allows them to overdraw their accounts. Such overdrafts amount to the item in question. The sum therefore which Provincial has to recover from local funds is 1·51 + 1·67 = 3·18. This sum Provincial cannot in the existing state of its balances afford to make a present of to local funds.

But see note on page 7 of the office-note. I do not understand this item of *minus* 1·67

H.W.B.

4. It would seem to be the best plan therefore to require the boards to borrow from India the money to pay their debts. They could borrow with a sinking fund, etc., at a small annual charge. This will ensure due economy and watchfulness on their part as the loan cannot be lost sight of and Provincial when in funds can step in and relieve them so far as it can by authorizing the payment of the loan from Provincial. This course will put the local fund finance on a sound basis since the board will then know their resources and liabilities and will not be muddled or deceived by indefinite claims on and debts to Provincial.

5. In the above paragraphs I have stated the general position, but when we come to the consideration of the case of individual boards, some further questions arise. The first is as to the principle on which the share of the 5 lakhs to be charged to each board should be determined. I have distributed it proportionately to the famine expenditure on works, since it is only works expenditure which can be legally thrown on the boards. Debiting each board in this way with its share of charge and setting against it the recoveries ordered, I find that the boards of Ganjám, Vizagapatam and Nellore are entitled to some deduction from the sum ordered to be recovered

I should not go by any rule of proportion, but should get out of each board as much as I thought I could without too severely crippling their operations.

H.W.B.—8-8-98.

The method proposed by my Honourable Colleague hardly seems equitable. Each district stands by itself and the amount to be recovered would be equitably apportioned according to famine expenditure on works.

A. T. A[RUNDEL]—9-8-98.

amounting for the three to ·86 lakh. This means that a balance of 4·04 including overdrafts has to be recovered from the boards of Anantapur, Bellary, Kurnool and Cuddapah. The details of the calculation are shown in the annexed statement.

Districts.	† Expenditure on works up to date.	Distribution of 5 lakhs proportionally.	Over drafts (*vide* column 7 of statement on page 4 of note).	Total of columns 3 and 4.	Recoveries ordered columns 2, 3, 4 and 5 of statement on page 4 of note.	Balance due by Local difference between columns 6 and 5.
1	2	3	4	5	6	7
Ganjám	3·31	·24	..	·24	·59	— ·35
Vizagapatam	2·34	·17	..	·17	·37	— ·20
Anantapur	8·10	·57	·46	1·03	·14	+ ·89
Bellary	24·87	1·76	·57	2·33	·64	+1·69
Kurnool	21·14	1·50	·23	1·73	·52	+1·21
Cuddapah	10·21	·72	·41	1·13	·88	+ ·25
Nellore	·55	·04	..	·04	* ·69	— ·65
Total ..	70·52	5·00	1·67	6·67	3·83	2·84

* G.O., 798, Financial, 16th September 1899.

† The figures for the first six districts are found on page 44 of volume I of the famine report for 1896–97. The information for Nellore has been gathered from G.Os., 535, Financial, 14th June 1898, 578, Financial, 5th July 1898, and Board's Proceedings, 244, 11th July 1898 (G.O., 936, Financial, 25th October 1898).

G. STOKES—6–8–98.

It seems to me that we should make a further protest in this case, if necessary, going to the Secretary of State. India seems determined not to understand that, whatever may be the case elsewhere, the law does not allow of the local funds of this Presidency being treated as one whole, and that they must be dealt with district by district. Five lakhs is not a large sum considered with reference to all our local boards taken together, but it is a very large sum considered with reference to the six famine districts, which happen to be on the whole, among one poorest. I should like to see an abstract statement made out of the local fund receipts and expenditure of those six districts (by major heads) from 1896–97 (actuals) to 1898–99 (budget). The heavy incidence of the charge of 5 lakhs would then, I think, be very apparent.

Another thing that India declines to admit, though without any argument or examination of the figures, is that we are getting as much as we can out of these local boards. We have written fully on this in G.O. Nos. 199, 200, Financial, dated 28th February 1898, and have, I think made out a good case.

We can do it again.

A. T. A[RUNDEL].

As to the rest, I think we had better, if we must, accept the balance of the 5 lakhs as a charge against Provincial, as India purposes, rather than continue to cut down the district boards any more. Vizagapatam might perhaps stand a little more bleeding and so might Cuddapah, but not the others; and with regard to those two it is hardly worth while. Being bankrupt, it does not make much difference to us whether we are more or less so. In for a penny, in for a pound.

H. W. B[LISS]—8–8–98.

I quite agree that we should make another protest to India. The legal restrictions under which we lie should again be forcibly insisted on, and also the fact that the ordinary administrative machinery of the local boards must go on under local boards as under the Imperial and Provincial Governments—famine or no famine—and that practically the only means of retrenchment for local boards as for Government lies in the stoppage of the expenditure on new works. It can be shown again how this has been done in the case of the famine-affected districts.

A. T. A[RUNDEL]—9–8–98.

I fully agree with Honourable Members that we should make a further and strong representation to the Government of India in this matter. I would allow the question of how the apportionment should be made to stand over until we have had a reply from India.

A. E. H[AVELOCK]—15-9-98.

Draft to India and make it strong in every way you can.

G.S.—18-9-98.

We can find the actuals of 1896-97, but must get those of 1897-98. The quickest and safest way to get the statement will be from the Accountant-General.

C.M.S.—17-9-98.

Telegram from the Chief Secretary to Government, to the Accountant-General, Madras, dated 17th September 1898, *No.* 559.

Please send statement showing by major heads receipts and expenditure of district boards, Bellary, Ganjám, Vizagapatam, Kurnool, Anantapur, Cuddapah and Nellore, for 1896-97, 1897-98, 1898-99, giving latest approved budget figures for latter year.

From the Accountant-General, No. 4345, *dated 17th September* 1898.

Telegram from the Chief Secretary to Government, to the Accountant-General, Madras, dated 30th September 1898, *No.* 581.

Please expedite statement asked for my telegram 559, seventeenth.

*From the Accountant-General, No. L.F.D./*427, *dated 30th September* 1898.

For the Chief Secretary—

The statement showing the receipts and charges of the six district boards of Ganjám, Vizagapatam, Kurnool, Bellary, Anantapur and Cuddapah, which the Honourable Member required (*vide* his note), as obtained from the Accountant-General, is submitted. From this statement, from information collected from the Local and Municipal department and from their reports, the statement attached to the draft order has been compiled. This has been delayed to include probable plague expenditure this year. This statement shows the transactions of the district boards involved in the present question but excludes union and endowment transactions which are not available for general purposes. It includes market receipts which are available.

2. Some difficulty has been felt in drafting, as Honourable Members and His Excellency are not agreed in regard to the proportion of the 5 lakhs to be debited to each district board. The Hon'ble Sir Henry Bliss has noted that he would "not go "by any rule of proportion but should get out of each board as much as I thought I "could without too severely crippling their operations". The Hon'ble Mr. Arundel considers that the amount to be recovered would be equitably apportioned according to famine expenditure on works (*vide* note on page 12). His Excellency the Governor would allow the question of apportionment to stand over until India has replied to the representation now to be made to it (*vide* note above).

I now accept the Hon'ble Mr. Arundel's view on this question.
A. E. H[AVELOCK].

3. On this point attention is solicited to the statement attached to the Chief Secretary's note on page 13.

4. There is no difficulty in setting out the position of these district boards in the letter to India if the division proposed by the Chief Secretary and accepted by the Hon'ble Mr. Arundel * is settled upon, but in the absence of some such plan it will not be practicable to place a plain statement of the affairs of each board before India. On the other hand if the 5 lakhs is not to be divided proportionately, India will be able to point to some famine districts, *e.g.*, Ganjám, Vizagapatam and Nellore, from which large contributions can be levied. This would weaken the case of this Government.

* The draft order and letter proceed on this assumption.
C.M.S.

It had better follow this line to enable us to address India effectively.
A. T. A[RUNDEL]—28-11-98.
A. E. H[AVELOCK]—5-12-98.

The Accountant-General also has asked as to the recoveries to be made from district boards.

5. With reference to the Honourable Member's query on page 12 of these notes, it is submitted that the sum of 1·67 lakhs represents contributions from Provincial in 1896-97 to cover deficits in the district boards of Anantapur, Bellary, Kurnool and Cuddapah; column 6 of the statement attached to the draft shows that all these boards except Anantapur closed with *minus* balances in spite of these contributions. It has been ascertained u.o. from the Accountant-General's office that no adjustments to the credit of Provincial revenues (except ·08 from Bellary) were made in 1897-98 as the balances of these district boards were too low and as after deducting the minimum working balance (5 *per cent.* of the receipts) there was little to recover. The Accountant-General is awaiting orders on the present letter before making any adjustments in the accounts of 1897-98 or 1898-99.

C.M.S.—10-11-98.

G.S.—10-11-98.

LOCAL AND MUNICIPAL DEPARTMENT.

For the Secretary—

In paragraph 3 of the draft order no uniformity has been observed in referring to the estimated net balance available for general purposes at the close of 1898-99. In the case of Ganjám, for instance, the balance includes 5 per cent. of the estimated receipts, which is generally reserved as a working balance for the ensuing year, while in Vizagapatam it excludes such reserve. The draft order should therefore be modified as shown in pencil.

V. RAGHAVA CHARLU—22-11-98.

The 5 per cent. reserve has been included in all cases.

H. TREMENHEERE.

FINANCIAL DEPARTMENT.

For the Chief Secretary—

The figures have been made uniform and the draft may circulate?

C.M.S.—23-11-98.

Yes.

G.S.—24-11-98.

A. T. A[RUNDEL]—1-12-98.

H. M. W[INTERBOTHAM]—6-12-98.

A. E. H[AVELOCK].

Telephonic message from the Officiating Accountant-General, to the Chief Secretary to Government, dated 7th December 1898.

Out of 5 lakhs to be transferred to 33. FAMINE RELIEF—*Local* under paragraph 3 of Government of India letter No. 3055-A, dated 12th July 1898, Rs. 92,066-12-7 was debited to that head in 1896-97 and Rs. 31,000 on account of Ganjám in 1897-98. The balance to be transferred is Rs. 3,76,933-3-5. I request to be informed what further adjustment on this account is likely to be made. The accounts of 1897-98 are to be closed shortly.

Telephonic message from the Chief Secretary to Government, to the Accountant-General, dated 8th December 1898.

Your telephonic message of yesterday regarding recovery of 5 lakhs from local funds.

Orders are issuing and will be communicated soon. The following recoveries have been ordered :—

	LAKHS.
Vizagapatam	·17
Kurnool	·10
Anantapur	·06
Cuddapah	·60
Nellore	·04

A sum of ·10 lakh is returned to Ganjám. Total recoveries ·87 lakh.

2. Besides ·31 lakh recovered from Ganjám in 1897-98, a sum of Rs. 7,780 was contributed to Provincial on account of famine by Bellary in the same year—*vide* G.O., No. 1614 L., dated 1st September 1898, page 7, paragraph 33. The sum remaining to be recovered out of the 5 lakhs is 2·82 lakhs.

F.A.D'C.—8-12-98.

C.M.S.—8-12-98.

[G.O., Nos. 1220, 1221, Financial, dated 13th December 1898.]

Financial (1898) Department.

CURRENT No.

From The Accountant General, Madras

Order

CHIEF SECRETARIAT 19 SEP 98 GOVERNMENT OFFICE

No. 4345

Dated 17 September 1898

Received 19 " "

Registered

Enclosures – 1

Spare copies –

SUBJECT.

Requesting the issue of early orders on para 3 of the G. I letter No. 3055 A dated 12 July 98 regarding the adjustt. of the share of 5 lakhs to be borne by local funds towards the famine expenditure incurred in the past 2 years.

Refce.

Please trace out any paper regarding contributions of the D. Fds to Provincial in 1897-98.

4289 22.9.98.

No papers can be traced
A.S. 21/9/98

BACK PAPERS.

G.O.	No.	Department.	Date.
Cal	1995/98		
701	15-8-98 sc		
379A/L	18-6-98 "		
199/70	28-7-98 "		

FURTHER PAPERS.

G.O.	No.	Department.	Date.

Financial (1898) Department.

CURRENT No. 3293

GOVERNMENT OF MADRAS CHIEF SECRETARY 11. NOV. 1898

From The Accountant General Madras

Order

No. 4902

Dated 11 November 1898

Received 14th Nov:

Registered 14th Nov:

Enclosures

Spare copies

SUBJECT.

Requesting the issue of early orders on this office No. 4345 dated the 7 Sept 98 regarding certain adjustments

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

CURRENT NO. 3293

Budget DEPARTMENT.

FORT ST. GEORGE,
Accountant-General's Office,
11th November 1898.

No. 4962

From

T. Hesketh Biggs, Esqre.
ACCOUNTANT-GENERAL TO THE
GOVERNMENT OF MADRAS,

To

THE Chief Secretary to Government
Financial Department.

2575/98

SIR,

I have the honour to request the issue of early orders on my No. 4345 dated the 17th of September 1898 regarding the adjustment of 5 lakhs to be borne by Local Funds towards expenditure on account of Famine.

I have the honour to be,
Sir
Your most obedt. Servant.

Accountant General.

14/11

Please see query

Proof 10/12/98

3 Sep

Government {1898} of Madras.

FINANCIAL.

amended
10-12-98

Recd. } 1898. *Enclosures*

Regd. *Spare copies*

G.O., No. ~~1208~~, ~~10th~~ December 1898.

DECEMBER.

Famine Expenditure.

Passing orders in regard to the distribution of the contribution of 5 lakhs which the Government of India insists on being realized from Local funds on account of —.

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

Read—again the following papers:—

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

Abstract.—Communicating to the Local and Municipal Department, for favour of early reply, letter from the Government of India, Finance and Commerce Department, dated 31st August 1897, No. 3863-A, on the subject of the amount of famine expenditure to be charged to Local Funds in Madras in 1897–98.

G.O., Nos. 199, 200, Financial, dated 28th February 1898.

Abstract.—Directing that the Government of India be addressed regarding the proposal to charge Local Funds with a portion of the famine expenditure incurred in this Presidency.

G.O., Nos. 379-A and 379-B, Financial, dated 18th April 1898.

Abstract.—Recording, with remarks, letter from the Government of India on the subject of the reductions in the budget estimates of 1898–99 and summarizing the amounts provided as contributions from Local Boards for famine-relief expenditure.

G.O., No. 456, Financial, dated 17th May 1898.

Abstract.—Recording Proceedings, Local and Municipal Department, No. 840 L., dated 4th May 1898, passing orders on the revised budget estimate of the Kurnool District Board for 1898–99.

G.O., No. 701, Financial, dated 15th August 1898.

Abstract.—Recording Proceedings, Local and Municipal Department, No. 1405 L., dated 8th August 1898, reducing from Rs. 50,000 to Rs. 31,000 the contribution payable to Provincial funds by the District Board of Ganjám in 1897–98 on account of famine-relief works.

G.O., No. 717, Financial, dated 20th August 1898.

Abstract.—Recording Proceedings, Local and Municipal Department, No. 1409 L., dated 8th August 1898, making certain reductions in the allotments provided in the Kurnool Local Fund budget for 1898–99, in order to increase the contribution to Provincial funds on account of famine-relief works.

G.O., No. 718, Financial, dated 20th August 1898.

Abstract.—Recording Proceedings, Local and Municipal Department, No. 1404 L., dated 8th August 1898, making certain reductions in the allotments provided in the Ganjám Local Fund budget for 1898–99, in order to provide funds to recoup Government for its past expenditure on famine-relief works.

G.O., No. 720, Financial, dated 22nd August 1898.

Abstract.—Recording Proceedings, Local and Municipal Department, No. 1428 L., dated 8th August 1898, making certain reductions in the allotments provided in the Cuddapah Local Fund budget for 1898–99, in order to increase the contribution payable to Provincial funds on account of famine-relief works.

G.O., No. 756, Financial, dated 31st August 1898.

Abstract.—Recording Proceedings, Local and Municipal Department, No. 1498 L., dated 15th August 1898, making certain reductions in the allotments provided in the Anantapur Local Fund budget for 1898–99, in order to increase the contribution to Provincial funds on account of famine-relief works.

G.O., No. 798, Financial, dated 16th September 1898.

Abstract.—Recording Proceedings, Local and Municipal Department, No. 1610 L, dated 29th August 1898, making certain reductions in the allotments provided in the Nellore District Board budget for 1898–99, in order to recoup Government for the expenditure incurred on famine-relief works.

G.O., No. 927, Financial, dated 22nd October 1898.

Abstract.—Recording Proceedings, Local and Municipal Department, No. 1652 L., dated 9th September 1898, communicating letter from the President, District Board, Kurnool, stating that cerain further reductions directed to be made in the allotments provided in the Kurnool Local Fund budget for 1898–99 are not possible.

Read—also the following papers:—

From STEPHEN JACOB, Esq., Officiating Secretary to the Government of India, Finance and Commerce Department (Accounts, &c.,—Estimates, &c., also Local Funds), to the Chief Secretary to the Government of Madras, dated Simla, 12th July 1898, No. 3055-A.

I am directed to acknowledge the receipt of your endorsement No. 379-B, Financial, dated the 18th April 1898, forwarding a copy of the order by the Government of Madras, No. 379-A, Financial, of the same date, in which it is observed that provision has been made for contributions by the Local Funds in Madras of Rs. 1,51,000 in 1897–98 and Rs. 1,44,000 in 1898–99 on account of famine-relief expenditure, and that endeavours should be made to restrict all avoidable expenditure on ordinary Local Fund works in the affected districts and to increase the contributions as far as possible.

2. It will be seen from the letters in this department, No. 1400-A., dated the 26th March 1897, and No. 710-A., dated the 10th February 1898, that both the Budget and Revised Estimates of expenditure in Madras for 1897–98 were prepared on the assumption that Rs. 5,00,000 of the total expenditure on famine relief would be passed on to the charge of Local Revenues. The Budget Estimates of District Boards for 1897–98 as originally framed made inadequate provision for contributions from local bodies towards expenditure on famine relief, the only substantial variation proposed in the ordinary rate of expenditure being a reduction of about Rs. 70,000 under 45. Civil Works—New Works, besides which provision was made in the Cuddapah District Board budget for a contribution of Rs. 20,000 towards 33. Famine

Relief. The Government of India have been unable to ascertain whether any, and what, endeavours were made, after these orders were issued, or after the apprehensions of famine expenditure in Madras were intensified, to provide, by revision of Local Boards' finance for their meeting this proportion of the famine expenditure of the province. The preliminary actuals for 1897–98 show that the ordinary expenditure in that year was only about Rs. 30,000 less than the budget estimate which itself was less than a lakh below the average expenditure of the three previous years. Under these circumstances the Government of India do not conceive themselves justified in taking upon Imperial Funds the extra liability in connection with expenditure on Famine, which has arisen from the omission to realize the full contribution required in 1897–98.

3. In paragraph 2 of the letter in this department, No. 1182-A., dated the 11th March 1898, it was decided to charge to Imperial Revenues so much of the famine expenditure in Madras as would leave the Provincial balance on 31st March 1898 at ten lakhs of rupees subject to the condition that five lakhs of the expenditure were met from Local Funds; the reason for this reservation being that the amount by which the Local Fund share is allowed to fall short of five lakhs is necessarily passed on to Imperial Revenues, unless the assignment of ten lakhs for Provincial balances on April 1, 1898, is reduced by the amount by which the recoveries from Local Funds fall short of five lakhs. The Government of India have accordingly decided (1) that the precise amount of famine expenditure to be charged to, or recovered from, the resources of Local Funds (contributions from Provincial not being included in that item) should be left to the Government of Madras to settle; (2) that the accounts of famine expenditure in 1897–98 should be so adjusted that the Provincial balance on 31st March 1898 should be less than the sum of Rs. 10,00,000 by the amount by which the sum so charged or recovered in that year and in 1896–97 under "33. Famine Relief" falls below five lakhs; and (3) that any recoveries from Local Funds made by the Madras Government at its discretion in 1898–99 and subsequent years in part payment of the five lakhs should be credited wholly as contributions to Provincial Revenues.

Copy forwarded to the Comptroller and Auditor General and to the Accountant-General, Madras, for information.

From T. HESKETH BIGGS, Esq., Accountant-General, to the Chief Secretary to Government, dated Fort St. George, 17th September 1898, No. 4345.

I have the honour to request the issue of early orders on paragraph 3 of the Government of India letter No. 3055-A., dated the 12th July 1898, regarding the adjustment of the share of five lakhs to be borne by Local Funds towards the famine expenditure incurred in the past two years, so that the necessary entries may be made in time in my supplementary accounts of 1897–98. The only orders relating to such adjustments in the accounts of 1897–98 received yet are those regarding the contribution of the Ganjám District Board—*vide* G.O., No. 1405 L., dated 8th August 1898, recorded in G.O., No. 701, Financial, dated 15th August 1898.

From T. HESKETH BIGGS, Esq., Accountant-General, to the Chief Secretary to Government, dated Fort St. George, 30th September 1898, No. L.F.D—427.

With reference to your telegram dated the 17th September 1898, I have the honour to forward herewith a statement showing by major heads the receipts and expenditure under Local Funds (Act V of 1884) of the Ganjám, Vizagapatam, Kurnool, Bellary, Anantapur, Cuddapah and Nellore districts for the years 1896–97, 1897–98 and 1898–99. The figures shown in the columns for 1896–97 and 1897–98 are the actuals and those for 1898–99 represent the sanctioned budget estimates.

From the Accountant-General, to the Chief Secretary to Government, dated 11th November 1898, No. 4962.

Enclosure.

RECEIPTS.

Districts.	Rates and Taxes.			Education.			Medical.			Interest.		
	1896–97.	1897–98	1898–99.	1896–97.	1897–98.	1898–99.	1896–97.	1897–98.	1898–99.	1896–97.	1897–98.	1898–99.
1	2	3	4	5	6	7	8	9	10	11	12	13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Ganjám	2,55,507	2,87,535	2,64,350	3,377	3,160	3,820	649	3,565	2,120	1,854	2,319	1,920
Vizagapatam	3,01,237	3,29,192	3,23,680	9,266	9,577	10,370	22,600	6,328	3,040	132	333	150
Kurnool	1,20,472	1,97,098	1,81,170	3,757	3,523	4,060	203	593	280	..	..	..
Bellary	1,14,693	2,27,746	1,85,120	5,653	5,553	6,440	279	794	1,680	5	22	60
Anantapur	49,922	1,12,850	1,07,300	3,652	3,205	4,170	181	767	240	153	171	170
Cuddapah	1,12,547	2,19,652	2,26,190	4,512	3,749	4,770	289	884	320	568	582	530
Nellore	2,77,197	2,69,799	2,81,030	6,568	6,424	5,440	102	242	170	8	6	20

Districts.	Miscellaneous.			Public Works.			Contributions.			Total.		
	1896–97.	1897–98.	1898–99.	1896–97.	1897–98.	1898–99.	1896–97.	1897–98	1898–99.	1896–97.	1897–98.	1898–99.
	14	15	16	17	18	19	20	21	22	23	24	25
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Ganjám	19,779	18,971	21,130	5,672	914	870	10,323	1,477	3,040	2,97,161	3,17,941	2,97,250
Vizagapatam	11,021	8,199	8,740	1,997	1,960	3,300	5,078	5,371	5,770	3,51,331	3,60,960	3,55,050
Kurnool	3,903	5,126	4,950	284	1,144	10	25,693	2,280	3,060	1,54,312	2,07,764	1,93,530
Bellary	17,012	14,500	18,280	797	847	1,430	1,21,836	8,409	9,370	2,60,281	2,57,871	2,22,380
Anantapur	8,347	5,497	8,330	926	694	580	50,302	3,753	4,760	1,13,483	1,26,937	1,25,550
Cuddapah	14,144	12,765	16,010	355	184	440	42,092	1,632	2,560	1,74,507	2,39,448	2,50,820
Nellore	6,568	5,398	7,960	2,246	5,692	760	3,020	2,516	3,810	2,95,709	2,90,077	3,20,670
									*21,480			

* To cover deficits.

EXPENDITURE.

Districts.	Grant 1.			Grant 2.			Grant 3.		
	1896-97.	1897-98.	1898-99.	1896-97.	1897-98.	1898-99.	1896-97.	1897-98.	1898-99.
1	2	3	4	5	6	7	8	9	10
Ganjám	Rs. 1,57,240	Rs. 1,70,193	Rs. 1,78,850 — *22,520*	Rs. 41,069	Rs. 37,357	Rs. 40,500 — *840*	Rs. 59,186	Rs. 64,284	Rs. 57,750 — *1,455*
Vizagapatam	1,87,607	1,96,243	1,99,160	53,965	49,842	48,570	76,413	76,848	69,340
Kurnool	97,120	77,613	97,230 — *1,100*	24,891	24,266	23,990	48,055	52,119	52,030
Bellary	99,540	1,04,066	1,26,670	34,135	34,159	34,340	63,452	65,053	55,730
Anantapur	42,788	26,116	50,770 — *4,960*	24,203	20,829	21,190	35,526	46,370	47,490
Cuddapah	94,398	75,635	1,54,380 — *12,867*	30,538	27,436	29,450	57,245	56,314	53,460
Nellore	1,53,177	1,58,556	1,91,930 — *3,910*	48,698	49,794	42,010	56,261	63,908	63,780

Districts.	Grant 4.			Grant 5.			Total.		
	1896-97.	1897-98.	1898-99.	1896-97.	1897-98.	1898-99.	1896-97.	1897-98.	1898-99.
	11	12	13	14	15	16	17	18	19
Ganjám	Rs. 1,364	Rs. 931	Rs. 1,790 — *124*	Rs. 33,096	Rs. 53,331	Rs. 20,860 — *72*	Rs. 2,91,955	Rs. 3,26,096	Rs. 2,97,750 — *25,011*
Vizagapatam	3,289	3,070	1,770	{ 20,950 } { 20,000 }	21,477	20,280	3,62,224	3,47,480	3,39,120
Kurnool	1,546	1,022	1,390	30,677	16,762	16,380	2,02,289	1,71,782	1,91,020 — *1,100*
Bellary	5,661	4,393	3,990	73,140	16,294	{ 14,570 } { † 7,800 }	2,75,928	2,23,965	2,43,100
Anantapur	4,160	3,034	3,800 — *290*	19,415	12,673	12,720	1,26,092	1,09,022	1,35,970 — *5,250*
Cuddapah	2,603	2,569	2,320 — *1,023*	32,463	19,096	19,090	2,17,247	1,81,050	2,58,700 — *13,890*
Nellore	5,781	4,832	5,660 — *670*	22,137	23,843	28,750 — *5,000*	2,86,054	3,00,933	3,32,130 — *9,580*

* To cover deficits.

N.B.—(1) The minus figures represent the reductions made by Government from the original budgets.
(2) Rs. 8,000 is provided in the budget of the Anantapur district on account of plague charges for 1898-99 and Rs. 1,680, 1,140, 2,150 and 1,000 are provided in the budgets of the Ganjám, Kurnool, Cuddapah and Nellore districts, respectively, for 1898-99 as unforeseen charges under Grant III. No provision has been made in the budgets of Vizagapatam and Bellary on account of plague charges for 1898-99.

Order—No. , Financial, dated December 1898.

The report on the famine in the Madras Presidency during 1896-97 and the accounts of expenditure in the Nellore district show that a sum of 70·52 lakhs has been expended on relief works in the seven districts marginally noted. The distribution of the contribution of 5 lakhs which the Government of India insists on being realized from Local funds, if divided amongst these districts proportionately to the expenditure on works in each district, is shown in the following statement together with particulars of the direct *local* expenditure on famine in 1896-97 and of the contributions already levied :—

Ganjám. Vizagapatam. Kurnool. Bellary. Anantapur. Cuddapah. Nellore.

Boards.	Expenditure on works up to date.	Distribution of 5 lakhs proportionately.	Expenditure on famine relief works by the boards in 1896-97.	Contribution levied in 1897-98.	Balance remaining to be recovered.	Contributions to Provincial on account of famine ordered in 1898-99.
1	2	3	4	5	6	7
Ganjám	3·31	·24	·03	·31	— ·10	·25
Vizagapatam	2·34	·17	..	..	·17	·26
Kurnool	21·14	1·50	·14	..	1·36	·20
Bellary	24·87	1·76	·56	·08	1·12	..
Anantapur	8·10	·57	·07	..	·50	·06
Cuddapah	10·21	·72	·12	..	·60	·48
Nellore	·55	·04	..	..	·04	·69
Total ..	70·52	5·00	·92	·39	3·69	1·94

2. The statement annexed to these proceedings exhibits the financial position for the three years ending 1898-99 of the district boards in question. It excludes transactions connected with unions and endowments other than markets, as these are not available for general purposes, but includes the probable expenditure on plague-preventive measures.

3. The position of each district board is summarized below :—

(i) *Ganjám.*—This district board has already paid ·10 lakh in excess of the amount leviable from it. The provision of ·25 lakh in the budget estimate for the current year as a contribution to Provincial funds will be cancelled and the excess amount (·10 lakh) will be re-adjusted to the credit of the district board by the Accountant-General. The board should close with a balance of ·40 lakh.

(ii) *Vizagapatam.*—This district has to contribute ·17 lakh only, but a provision of ·26 lakh has been made in the budget for the current year. The contribution of ·17 lakh should be levied at once. After meeting the estimated plague expenditure, this district should close the year with a balance of ·40 lakh.

(iii) *Kurnool.*—The balance of contribution to be recovered from this district (paragraph 1 *supra*) is 1·36 lakh. The contribution (·23 lakh) made from Provincial funds to cover deficits in 1896-97 has still to be repaid. The total amount therefore stands at 1·59. The budget for the current year contains a provision of ·20 lakh for contributions to Provincial, but as it is estimated that the district board will close the current year with no balance whatever if it meets its plague expenditure, this amount will be reduced to ·10 lakh and recovered at once. The amount remaining to be recovered will then stand at 1·49 lakh.

(iv) *Bellary.*—The recovery of any contribution from this district is impracticable at present. The appended statement shows that the district board cannot meet the plague expenditure debitable to it and that it will probably close the year with a large *minus* balance. In addition to the amount (1·12) shown in the statement in paragraph 1 *supra*, a contribution of ·57 lakh from Provincial funds made in 1896-97 to cover deficits has still to be repaid.

(v) *Anantapur.*—This district will, after contributing a sum of ·06 lakh towards Provincial in the current year, close with a balance of ·07 lakh. The contribution (·06) should be levied. The amount remaining to be recovered from the board will be ·44 lakh *plus* ·46, the contribution received in 1896-97 from Provincial to cover deficits—total ·90 lakh.

(vi) *Cuddapah.*—A sum of ·60 lakh is due from this district on account of famine (paragraph 1 *supra*) in addition to the amount (·41 lakh) advanced in 1896-97 to cover deficits, while a provision of ·48 lakh has been made in the budget for the current year as a contribution to Provincial funds. As this district will, according to the appended statement, close with a balance of ·31 lakh, a sum of ·60 lakh will be levied at once, leaving a probable closing balance of ·19 lakh. The balance to be recovered will then be ·41 lakh.

(vii) *Nellore.*—The amount to be recovered from this district is ·04 lakh only, but a provision of ·69 lakh exists in the budget for the current year as a contribution for famine charges. The sum of ·04 will be recovered and the balance (·65) will be at the disposal of the district board, which should then close the year with a balance of ·67 lakh.

4. The foregoing paragraphs are summarized below :—

District.	Portion of 5 lakhs payable.	Contribution levied.				Balance due on account of famine.	Provincial contribution made in 1896-97 to cover deficits not repaid.	Total due by each District Board (column 7 + column 8).
		Direct famine expenditure in 1896-97.	Paid in 1897-98.	Contribution now directed.	Total of columns 3, 4 and 5.			
1	2	3	4	5	6	7	8	9
Ganjám	·24	·03	·31	— ·10	·24	..	..	..
Vizagapatam ..	·17	..	..	·17	·17	..	..	..
Kurnool	1·50	·14	..	·10	·24	1·26	·23	1·49
Bellary	1·76	·56	·08	..	·64	1·12	·57	1·69
Anantapur ..	·57	·07	..	·06	·13	·44	·46	·90
Cuddapah	·72	·12	..	·60	·72	..	·41	·41
Nellore	·04	..	..	·04	·04	..	..	..
Total ..	5·00	·92	·39	·87	2·18	2·82	1·67	4·49

[Here enter letter No. , Financial, dated December 1898.]

(True Extract.)

Chief Secretary.

To the Accountant-General.
„ Local and Municipal Department.

Exd. T. K. Narayana Aiyangar.

famine area.

Budget estimate, 1898-99.

	Contribution to Provincial for famine included in column 17.	Plague.			Difference between columns 18 and 22.	Five per cent. of the receipts (column 15).	Difference between columns 23 and 24.
		Expenditure debitable according to most recent estimates.	Expenditure provided in the budget included in column 17.	Difference between columns 20 and 21.			
	19	20	21	22	23	24	25
	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.
G	·25	·20	·02	·18	·05	·14	— ·09
V	·26	·16	·05	·11	·31	·17	·14
K	·20	·22	·07	·15	..	·09	— ·09
B	..	·35	·12	·23	— ·34	·10	— ·44
A	·06	·12	·08	·04	·07	·05	·02
C	·48	·09	·03	·06	·31	·11	·20
N	·69	·12	..	·12	·02	·14	— ·12
	1·94	1·26	·37	·89	·42	·80	— ·38

(v) *Anantapur.*—This district will, after contributing a sum of ·06 lakh towards Provincial in the current year, close with a balance of ·07 lakh. The contribution (·06) should be levied. The amount remaining to be recovered from the board will be ·44 lakh *plus* ·46, the contribution received in 1896-97 from Provincial to cover deficits—total ·90 lakh.

(vi) *Cuddapah.*—A sum of ·60 lakh is due from this district on account of famine (paragraph 1 *supra*) in addition to the amount (·41 lakh) advanced in 1896-97 to cover deficits, while a provision of ·48 lakh has been made in the budget for the current year as a contribution to Provincial funds. As this district will, according to the appended statement, close with a balance of ·31 lakh, a sum of ·60 lakh will be levied at once, leaving a probable closing balance of ·19 lakh. The balance to be recovered will then be ·41 lakh.

(vii) *Nellore.*—The amount to be recovered from this district is ·04 lakh only, but a provision of ·69 lakh exists in the budget for the current year as a contribution for famine charges. The sum of ·04 will be recovered and the balance (·65) will be at the disposal of the district board, which should then close the year with a balance of ·67 lakh.

4. The foregoing paragraphs are summarized below :—

District.	Portion of 5 lakhs payable.	Contribution levied.				Balance due on account of famine.	Provincial contribution made in 1896-97 to cover deficits not repaid.	Total due by each District Board (column 7 + column 8).
		Direct famine expenditure in 1896-97.	Paid in 1897-98.	Contribution now directed.	Total of columns 3, 4 and 5.			
1	2	3	4	5	6	7	8	9
Ganjám	·24	·03	·31	— ·10	·24	..	..	..
Vizagapatam ..	·17	..	..	·17	·17	..	..	..
Kurnool	1·50	·14	..	·10	·24	1·26	·23	1·49
Bellary	1·76	·56	·08	..	·64	1·12	·57	1·69
Anantapur ..	·57	·07	..	·06	·13	·44	·46	·90
Cuddapah	·72	·12	..	·60	·72	..	·41	·41
Nellore	·04	..	..	·04	·04	..	..	..
Total ..	5·00	·92	·39	·87	2·18	2·82	1·67	4·49

[Here enter letter No. , Financial, dated December 1898.]

(True Extract.)

Chief Secretary.

To the Accountant-General.
„ Local and Municipal Department.

Exd. T. K. Narayana Aiyangar.

STATEMENT showing the financial position during 1896-97 to 1898-99 of the District Boards in the famine area.

District Boards.	actuals 1896-97.							actuals 1897-98.						Budget estimate, 1898-99.								
	Opening balance.	Receipts.	Including opening balance, columns (2 + 3).	Charges.	Closing balance (4—5).	Direct expenditure on famine included in column 6.	Contribution from Provincial to cover deficits included in column 3.	Receipts.	Including opening balance (6 + 9).	Charges.	Closing balance (10—11).	Contribution to Provincial for famine included in column 11.	Contribution from Provincial to cover deficits.	Estimated receipts.	Including opening balance (12 + 15).	Estimated charges.	*Probable closing balance (16 — 17).	Contribution to Provincial for famine included in column 17.	Plague. Expenditure debitable according to most recent estimates.	Plague. Expenditure provided in the budget included in column 17.	Plague. Difference between columns 20 and 21.	Difference between columns 18 and 22.	Five per cent. of the receipts (column 15).	Difference between columns 23 and 24.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.
Ganjám	·35	2·90	3·25	2·87	·38	·03	..	3·08	3·46	3·22	·24	·31		2·81	3·05	2·82	·23	·25	·20	·02	·18	·05	·14	— ·09
Vizagapatam	·24	3·55	3·79	3·68	·11	..	..	3·44	3·55	3·29	·26	..		3·35	3·61	3·19	·42	·26	·16	·05	·11	·31	·17	·14
Kurnool	·24	1·41	1·65	1·88	— ·23	·14	·23	1·94	1·71	1·58	·13	..		1·76	1·89	1·74	·15	·20	·22	·07	·15	..	·09	— ·09
Bellary	— ·09	2·50	2·41	2·60	— ·19	·56	·57	2·38	2·19	2·08	·11	·08	*Nil.*	1·92	2·03	*2·14	— 1·1	..	·35	·12	·23	— ·34	·10	— ·44
Anantapur	·14	·99	1·13	1·10	·03	·07	·46	1·09	1·12	·91	·21	..		1·04	1·25	1·14	·11	·06	·12	·08	·04	·07	·05	·02
Cuddapah	·36	1·68	2·04	2·12	— ·08	·12	·41	2·19	2·11	1·62	·49	..		2·20	2·69	2·32	·37	·48	·09	·03	·06	·31	·11	·20
Nellore	1·56	2·82	4·38	2·74	1·64	..	..	2·80	4·44	2·91	1·53	..		2·80	4·33	4·19	·14	·69	·12	..	·12	·02	·14	— ·12
Total ..	2·80	15·85	18·65	16·99	1·66	·92	1·67	16·92	18·58	15·61	2·97	·39		15·88	18·85	17·54	1·31	1·94	1·26	·37	·89	·42	·80	— ·38

* Includes a contribution of ·08 lakh to Provincial in repayment of loan advanced to cover deficits.

Government {1898} of Madras.

FINANCIAL.

Clean proof of the letter to India re the local contribn of 5 lakhs to famine is sent. The draft rcd. on the day Ch. was not at office. It was sent to Press to save time

Recd.	1898.	*Enclosures*
Regd.		*Spare copies*

Letter, No. ~~1209, 16th~~ December 1898.

Approved.

DECEMBER.

Local Govt to and Famine Expenditure.

Addressing the Government of India in regard to the contribution of 5 lakhs which that Government insists on being realized from Local funds on account of —

to be levied — Famine Expenditure

FINANCIAL DEPARTMENT.

Letter—from

The CHIEF SECRETARY to the GOVERNMENT of FORT ST. GEORGE,

To

The SECRETARY to the GOVERNMENT of INDIA, Finance and Commerce Department.

Sir,

I am directed to reply to your letter, No. 3055 A., dated the 12th July 1898, in which it is intimated that the Government of India has decided that the precise amount of famine expenditure to be charged to or recovered from the resources of Local Funds in this Presidency will be left to the Governor in Council to settle; that the accounts of famine expenditure in 1897–98 will be so adjusted that the Provincial balance on 31st March 1898 will be less than the sum of 10 lakhs by the amount by which the sum so charged or recovered in that year and in 1896–97 under 33. Famine Relief falls below 5 lakhs; and that any recoveries from Local Funds made by this Government at its discretion in 1898–99 and subsequent years in part-payment of the 5 lakhs shall be credited wholly as contributions to Provincial revenues.

2. The Government of India decline to admit, although without any argument or examination of the figures, that this Government has caused district boards to contribute towards famine expenditure in their districts as far as possible. The facts in connection with this matter have, however, been fully set out in my predecessor's letter, No. 200, Financial, of the 28th February last. In that letter it was pointed out that any material reduction of allotments for the maintenance of communications, buildings and avenues would not only seriously injure the works themselves and cause great public inconvenience, but would also entail in subsequent years additional expenditure to a disproportionate amount to make good the damage caused by neglect; that works of this nature afford in themselves very substantial relief to the famine-stricken population by giving employment to labour; that the provisions for education, medical aid, vaccination and sanitation could not be suddenly reduced without causing the gravest public inconvenience; that the last three of these services are more urgently required during periods of distress than in ordinary times; and that the maintenance of choultries, which forms another item of the expenditure of district boards, is mostly met from the receipts from the private endowments attached to these institutions. The steps taken by this Government to curtail the expenditure of the district boards concerned in order to set free funds for contributions to Provincial revenues in aid of famine-relief expenditure as well as a detailed examination of the financial position of each district board were then set out. Finally it was shown that it was out of the question that local boards in the affected tracts of the Presidency should contribute towards famine expenditure to the extent originally anticipated, and attention was drawn to the fact that in the cases of four district boards which had attempted to meet famine expenditure in 1896–97 contributions largely in excess of such expenditure had to be made from Provincial funds to cover deficits at the end of the year.

3. This letter receives no notice in your communication under reply, which in this respect confines itself to a reference to my predecessor's endorsement, No. 379 A., Financial, dated 18th April 1898, forwarding a copy of the proceedings of this Government, No. 379 A. of the same date. These proceedings, I am to observe, summarized the contributions from district boards for which the Government had made provision in the estimates of these bodies and in fact represented the result of the efforts made by this Government subsequent to the despatch of Mr. Arundel's letter, No. 200, Financial, of the 28th February 1898, to comply with the wishes of the Governor-General in Council.

4. The Government of India appears throughout this correspondence to have overlooked the fact that the law in this Presidency does not allow of local boards being treated as homogeneous, but requires them to be dealt with district by district. The sum of five lakhs might probably be considered a small amount with reference to the resources of all the district boards in the Presidency taken together, but it is a very heavy contribution when the fact is remembered that it will have to be borne almost entirely by six districts which happen to be on the whole amongst the poorest in the Presidency.

5. I am to add for the information of the Government of India that subsequent to the despatch of the communication which your letter acknowledges and before the receipt of the latter, this Government again scrutinized the budget estimates of local boards in the districts affected by famine last year in view to ascertain whether any further contributions could be made available. The process of retrenchment has been applied even to lighting charges for the remainder of the year in most districts, to the allotments for digging wells for potable water in such districts as Cuddapah, and in fact to every item which is at all susceptible of reduction.

6. Since the receipt of your letter the Governor in Council has had to consider the question of the incidence of plague expenditure which could not be foreseen when the budgets of district boards for the current year were passed. This expenditure is increasing and shows signs of further increase in the near future. All local boards have recently on this account been warned to curtail expenditure wherever possible.

7. It has been pointed out above that it is necessary in this Presidency to consider questions of local board finance district by district; but it is necessary also to remember that the objects to which the local board resources can be applied are defined by law with the result that it is only expenditure on famine works which can legally be met from local board funds. If His Excellency the Governor in Council apportions the five lakhs in the proportion which each board might legally pay, *i.e.*, if the five lakhs to each district be distributed in proportion to the outlay on famine works within it, the incidence of the contribution proposed by the Government of India will fall as shown in the statement below, which also exhibits the direct outlay incurred by each board on famine relief in 1896–97 and the contributions from Provincial funds given to cover deficits in 1896–97 the repayment of which is still due:—

District Board.	Portion of five lakhs to be met.	Direct famine expenditure in 1896–97.	Balance (col. 2 — col. 3).	Amount due to repay Provincial contribution in 1896–97.	Total to be paid by each board (col. 4 + col. 5).
1	2	3	4	5	6
	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.
(i) Ganjám	·24	·03	·21	..	·21
(ii) Vizagapatam	·17	..	·17	..	·17
(iii) Kurnool	1·50	·14	1·36	·23	1·59
(iv) Bellary	1·76	·56	1·20	·57	1·77
(v) Anantapur	·57	·07	·50	·46	·96
(vi) Cuddapah	·72	·12	·60	·41	1·01
(vii) Nellore	·04	..	·04	..	·04
Total ..	5·00	·92	4·08	1·67	5·75

8. The position of each of the district boards concerned is set out below in the light of information of later date than that on which previous communications on this subject were based and after taking into consideration the outlay on measures connected with the bubonic plague which these bodies will have to bear. The calculations leave out of account such items as union and endowment balances which under the law are not available for general purposes.

(i) & (ii) *Ganjám and Vizagapatam.*—The recovery of the sums of ·21 lakh and ·17 lakh, respectively, from these boards is practicable and orders have been issued accordingly.

(iii) *Kurnool.*—A provision of ·20 lakh has been made in the budget estimate of the current year for a contribution to Provincial funds on account of famine expenditure, but the plague expenditure which according to present estimates will fall

to this board will, if this contribution is levied, cause it to close the year with a *nil* balance. As the plague estimates are merely approximate, it is impossible to levy a larger contribution than ·10 lakh during the current year. The Provincial contribution of ·23 lakh made to cover deficits in 1896–97 has still to be repaid.

(iv) *Bellary.*—A sum of ·08 lakh was recovered in 1897–98 towards famine expenditure. The recovery of any contribution in the current year is impracticable. If this board were to meet its plague expenditure as now estimated, it would close the current year with a *minus* balance of ·34 lakh. The Board has still to repay the Provincial contribution of ·57 lakh granted in 1896–97 to cover deficits.

(v) *Anantapur.*—After recovering a sum of ·06 lakh in the current year the board will, it is estimated, close with a balance of ·07 lakh, or ·02 lakh in excess of the minimum working balance of 5 *per cent.* of the receipts. The board will still be indebted to Provincial funds in the sum of ·46 lakh, the amount advanced in 1896–97 to cover deficits.

(vi) & (vii) *Cuddapah and Nellore.*—The amounts (·60 and ·04 lakhs) due as famine contributions by these boards will, it is estimated, be recovered this year. The Cuddapah district board will still have to repay the Provincial contribution of ·41 lakh made in 1896–97, but this will have to be postponed as the district is estimated to close the year with a balance of ·08 lakh only in excess of the prescribed minimum working balance of 5 *per cent.* of receipts.

9. The net result of the foregoing is that the following sums are recoverable from the district boards concerned in addition to the direct famine expenditure of ·92 lakh incurred in 1896–97 :—

	LAKH.
Ganjám	·21
Vizagapatam	·17
Kurnool	·10
Bellary	·08
Anantapur	·06
Cuddapah	·60
Nellore	·04
Total ..	1·26

The total contribution which can be levied from district boards is therefore 2·18 lakhs.

10. The result of the present decision of the Government of India will therefore be to throw an additional charge of (5 — 2·18 =) 2·82 lakhs on Provincial revenues, which have also suffered through the famine in having to advance to the very boards which are now unable to meet their liabilities as arbitrarily fixed by the Government of India a sum of 1·67 lakh, the repayment of which in the near future is impossible. Provincial funds will, therefore, be affected by the decision of the Government of India to the extent of 4·49 lakhs, or only half a lakh less than the entire expenditure which the Government of India has pronounced to be Local.

11. The Governor in Council trusts that the further exposition of this matter which is now afforded will convince the Government of India of the absolute impracticability of giving effect to the decision conveyed in your letter under reply, except by making Provincial funds suffer to an extent which this Government cannot but consider as detrimental to the efficient Government of this Presidency.

It must also be remembered that the position of local bodies in this Presidency is under existing circumstances and with heavy plague expenditure threatening unlikely to improve for several years to come.

I have the honour to be,
Sir,
Your most obedient servant,

Fort St. George,
December 1898.

Chief Secretary.

Exd. C. M. Thumbuswamy.

ORDER—No. 1220, Financial, dated 13 December 1898.

The report on the famine in the Madras Presidency during 1896–97 and the accounts of expenditure in the Nellore district show that a sum of 70·52 lakhs has been expended on relief works in the seven districts marginally noted. The distribution of the contribution of 5 lakhs which the Government of India insists on being realized from Local funds, if divided amongst these districts proportionately to the expenditure on works in each district, is shown in the following statement together with particulars of the direct *local* expenditure on famine in 1896–97 and of the contributions already levied :—

Ganjám.	Anantapur.
Vizagapatam.	Cuddapah.
Kurnool.	Nellore.
Bellary.	

Boards.	Expenditure on works up to date.	Distribution of 5 lakhs proportionately.	Expenditure on famine relief works by the boards in 1896–97.	Contribution levied in 1897–98.	Balance remaining to be recovered.	Contribution to Provincial on account of famine ordered in 1898–99.
1	2	3	4	5	6	7
Ganjám	3·31	·24	·03	·31	— ·10	·25
Vizagapatam	2·34	·17	..	..	·17	·26
Kurnool	21·14	1·50	·14	..	1·36	·20
Bellary	24·87	1·76	·56	·08	1·12	..
Anantapur	8·10	·57	·07	..	·50	·06
Cuddapah	10·21	·72	·12	..	·60	·48
Nellore	·55	·74	..	..	·04	·69
Total ..	70·52	5·00	·92	·39	3·69	1·94

2. The statement annexed to these proceedings exhibits the financial position for the three years ending 1898–99 of the boards in these districts. It excludes transactions connected with unions and endowments other than markets, as these are not available for general purposes, but includes the probable expenditure on plague preventive measures.

3. The position of each district board is summarized below :—

(i) *Ganjám.*—This district board ha already paid ·10 lakh in excess of the account leviable from it. The provision of ·25 lakh in the budget estimate for the current year as a contribution to Provincial funds will be cancelled and the excess amount (·10 lakh) will be re-adjusted to he credit of the district board by the Accountant-General. The board will close with a balance of ·40 lakh.

(ii) *Vizagapatam.*—This district has o contribute ·17 lakh only, but a provision of ·26 lakh has been made in the budget fo the current year. The contribution of ·17 lakh should be levied at once. After eeting the estimated plague expenditure and providing 5 *per cent.* of the receipts f a working balance, this district should close the year with a net balance of ·23 lal

(iii) *Kurnool.*—The balance of co ibution to be recovered from this district (paragraph 1 *supra*) is 1·36 lakh. The co ibution (·23 lakh) made from Provincial funds to cover deficits in 1896–97 has stil be repaid. The total amount therefore stands at 1·59. The budget for the curre ear contains a provision of ·20 lakh for contributions to Provincial, but as the dist board will close the current year with no balance whatever if it meets its plague expenditure, this amount will be reduced to ·10 lakh and recovered at once. The unt remaining to be recovered will then stand at 1·49 lakh.

(iv) *Bellary.*—The recovery of any contribution from this district is impracti- cable at present. The appended statemen shows that the district board cannot meet the plague expenditure debitable to it and at it will probably close the year with a *minus* balance of ·44 lakh. In addition to e amount (1·12) shown in the statement in paragraph 1 *supra*, a contribution of ·57 h from Provincial funds made in 1896–97 to cover deficits has still to be repaid.

I cannot follow this, or understand it from the statement. ·60 deducted from + ·31 leaves a ~~minus~~ balance of −·29. make the matter clear.

AA.
28.11.98

60 − 48 = 12 and deducting 12 from 31 gives + 19. The 48 has already been provided in the Budget; hence only 12 is additional –

[illegible] 29-11-98.

AA 1.12.98

A.S.H. 5.12.98

HS 6-12-98

Checked
[illegible] 15.11.98

6

(v) *Anantapur.*—This district will, after contributing a sum of ·06 lakh towards Provincial in the current year, close wit… h a balance of ·07 lakh. The contribution (·06) should be levied. The amount rem… aining to be recovered from the board will be ·44 lakh *plus* ·46, the contribution re… ceived in 1896–97 from Provincial to cover deficits—total ·90 lakh.

(vi) *Cuddapah.*—A sum of ·60 lak… h will ~~be~~ due from this district on account of famine (paragraph 1 *supra*) in additi… on to the amount (·41 lakh) advanced in 1896–97 to cover deficits, while a provisi… on of ·48 lakh has been made in the budget for the current year as a contribution t… o Provincial funds. As this district will, according to the appended statement, clos… e with a ~~net~~ balance of ·20 lakh, a sum of ·60 lakh will be levied at once, leaving a … probable closing balance of ·08 lakh. The balance to be recovered will then be ·41 l… akh.

(vii) *Nellore.*—The amount to be … recovered from this district ~~amounts to~~ ·04 lakh only, but a provision of ·69 lakh ex… ists in the budget for the current year as a contribution for famine charges. The s… um of ·04 will be recovered and the balance (·65) will be at the disposal of the district … board, which should then close the year with a balance of ·53 lakh.

4. The foregoing paragraphs are sum… marized below :—

District.	Portion of 5 lakhs payable.	Contribution … levied.				Balance due on account of famine.	Provincial contribution made in 1896–97 to cover deficits not repaid.	Total due by each District Board (column 7 + column 8).
		Direct famine expenditure in 1896–97.	Paid in 1897–98.	Contribution now directed.	Total of columns 3, 4 and 5.			
1	2	3	4	5	6	7	8	9
Ganjám	·24	·03	·31	·10	·24	..	..	..
Vizagapatam ..	·17	..	..	·17	·17	..	..	..
Kurnool	1·50	·14	..	·10	·24	1·26	·23	1·49
Bellary	1·76	·56	·08	..	·64	1·12	·57	1·69
Anantapur ..	·57	·07	..	·06	·13	·44	·46	·90
Cuddapah	·72	·12	..	·60	·72	..	·41	·41
Nellore	·04	..	..	·04	·04	..	..	..
Total ..	5·00	·92	·39	·87	2·18	2·82	1·67	4·49

(True Extract.)

~~G. STOKES~~,
Chief Secretary.

To the Accountant-General.
" Local and Municipal Department.

Ed. copy desp. 16.12.98.

Desp. 16.12.98

[illegible] 17/11/98

C.M.S. 18.11.98

·31
8
·19

38

P.T.O.
X

APPENDIX TO G.O., No. DATED 1898.

STATEMENT showing the financial position of the District Boards in the famine area during 1896-97 to 1898-99.

District Boards.	1896-97. Opening balance.	1896-97. Receipts.	1896-97. Total of columns (2 + 3).	1896-97. Charges including contribution to Provincial.	1896-97. Closing balance (4—5).	1896-97. Direct expenditure on famine included in column 5.	1896-97. Contribution from Provincial to cover deficits included in column 3.	1897-98. Receipts.	1897-98. Total (6 + 9).	1897-98. Charges including contribution to Provincial.	1897-98. Closing balance (10—11).	1897-98. Contribution to Provincial for famine included in column 11.*	1897-98. Contribution from Provincial to cover deficits.
1	2	3	4	5	6	7	8	9	10	11	12	13	14
	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.
Ganjám	·35	2·90	3·25	2·87	·38	·03	..	3·08	3·46	3·22	·24	·31	Nil.
Vizagapatam	·24	3·55	3·79	3·68	·11	..	..	3·44	3·55	3·29	·26	..	
Kurnool	·24	1·41	1·65	1·88	— ·23	·14	·23	1·94	1·71	1·58	·13	..	
Bellary	— ·09	2·50	2·41	2·60	— ·19	·56	·57	2·38	2·19	2·08	·11	·08	
Anantapur	·14	·99	1·13	1·10	·03	·07	·46	1·09	1·12	·91	·21	..	
Cuddapah	·36	1·68	2·04	2·12	— ·08	·12	·41	2·19	2·11	1·62	·49	..	
Nellore	1·56	2·82	4·38	2·74	1·64	..	..	2·80	4·41	2·91	1·53	..	
Total ..	2·80	15·85	18·65	16·96	1·66	·92	1·67	16·92	18·58	15·61	2·97	·39	

District Boards.	Budget estimate, 1898-99. Estimated receipts.	Total (12 + 15).	Estimated charges.	Probable closing balance (16—17).	Contribution to Provincial for famine included in column 17.	Plague. Expenditure debitable according to most recent estimates.	Plague. Expenditure provided in the budget.	Plague. Difference between columns 20 and 21.	Difference between columns 18 and 22.	Five per cent. of the receipts (column 15).	Difference between columns 23 and 24.
1	15	16	17	18	19	20	21	22	23	24	25
	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.
Ganjám	2·81	3·05	2·82	·23	·25		·02	·18	·05	·14	— ·09
Vizagapatam	3·35	3·61	3·19	·42	·26	·16	·05	·11	·31	·17	·14
Kurnool	1·76	1·89	1·74	·15	·20	·22	·07	·15	..	·09	— ·09
Bellary	1·92	2·03	2·14 (a)	— ·11	..	·35	·12	·23	— ·34	·10	— ·44
Anantapur	1·04	1·25	1·14	·11	·06	·12	·08	·04	·07	·05	·02
Cuddapah	2·20	2·69	2·32	·37	·48	·09	·03	·06	·31	·11	·20
Nellore	2·80	4·33	4·19	·14	·69	·12	..	·12	·02	·14	— ·12
Total	15·88	18·85	17·54	1·31	1·94	1·26	·37	·89	·42	·80	— [illegible]

* G.O., No. 798, Financ[ial], dated 16th September 1898.

(a) Includes a contribution of ·08 lakh to Provincial in repayment of loan advanced to cover deficits.

included in col 17

P.T.O.

Checked
15-11-98
15-11-98

No. 1221, Financial, 13th December 1898.

FINANCIAL DEPARTMENT.

Letter—from

THE CHIEF SECRETARY TO THE GOVERNMENT OF MADRAS,

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,
FINANCE AND COMMERCE DEPARTMENT.

Sir,

I am directed to reply to your letter, No. 3055 A., dated the 12th July 1898, in which it is intimated that the Government of India has decided that the precise amount of famine expenditure to be charged to or recovered from the resources of Local Funds in this Presidency will be left to the Governor in Council to settle; that the accounts of famine expenditure in 1897-98 will be so adjusted that the Provincial balance on 31st March 1898 will be less than the sum of 10 lakhs by the amount by which the sum so charged or recovered in that year and in 1896-97 under "33. Famine Relief" falls below 5 lakhs; and that any recoveries from Local Funds made by this Government at its discretion in 1898-99 and subsequent years in part-payment of the 5 lakhs, shall be credited wholly as contributions to Provincial revenues.

2. The Government of India declined to admit, although without any argument or examination of the figures, that this Government has caused District Boards to contribute towards famine expenditure in their districts as far as possible. The facts in connection with this matter have, however, been fully set out in my predecessor's letter, No. 200, Financial, of the 28th February last. In that letter it was pointed out that the material reduction of allotments for the maintenance of communications, buildings and avenues would not only seriously injure the works themselves and cause great public inconvenience, but would also entail in subsequent years additional expenditure to a disproportionate amount to make good the damage caused by neglect; that works of this nature afford in themselves very substantial relief to the famine-stricken population by giving employment to labour; that the provisions for education, medical aid, vaccination and sanitation could not be suddenly reduced without causing the gravest public inconvenience; that the last three of these services are more urgently required during periods of distress than in ordinary times; and that the maintenance of choultries, which forms another item of the expenditure of District Boards, is mostly met from the receipts from the private endowments attached to these institutions. The steps taken by this Government to curtail the expenditure of the District Boards concerned in order to set free funds for contributions to Provincial revenues in aid of famine-relief expenditure as well as a detailed examination of the financial position of each District Board were then set out. Finally it was shown that it was out of the question that Local Boards in the affected tracts of the Presidency should contribute towards famine expenditure to the extent originally anticipated, and attention was drawn to the fact that in the cases of four District Boards which had attempted to meet famine expenditure in 1896-97 contributions largely in excess of such expenditure had to be made from Provincial funds to cover deficits at the end of the year.

3. This letter receives no notice in your communication under reply, which in this respect confines itself to a reference to my predecessor's endorsement, No. 379 A., Financial, dated 19th April 1898, forwarding a copy of the Proceedings of this

Financial Department.

995

406-Ganjam
461-N.Arcot
466-Kurnool
511-Cuddapah
558-Anantapur

Subject

Famine recoveries from Local funds.

Government No. 379 A. of the same date. T
marized the contributions from District Boar
provision in the estimates of these bodies a
efforts made by this Government subsequent
No 200, Financial, of the 28th February
Governor-General in Council.

4. The Government of India appears
overlooked the fact that the law in this P
being treated as homogeneous, but that the
The sum of 5 lakhs might probably be cons
the resources of all the District Boards in t
very heavy contribution when the fact is
almost entirely by six districts which happe
in the Presidency.

5. I am to add, for the information of t
to the despatch of the communication which
receipt of the latter, this Government had a
Local Boards in the districts affected by fa
any further contributions could be made ava
been applied in most districts, even to lighti
to the allotments for digging wells in such
item which is at all practicable of reduction.

6. Since the receipt of your letter the
the question of the incidence of plague expe
the budgets of District Boards for the curre
increasing and shows signs of further incre
have recently, on this account, been warne

7. The incidence of the contribution o
India, if divided amongst the District Board
famine works in each district—and this in
the only equitable method—will fall as s
exhibits the direct outlay incurred by each
the contributions from Provincial funds
repayment of which is still due:—

District Board.	Portion of 5 lakhs to be met.	Di exp
1	2	
	LAKHS.	
(i) Ganjám	·24	
(ii) Vizagapatam	·17	
(iii) Kurnool	1·50	
(iv) Bellary	1·76	
(v) Anantapur	·57	
(vi) Cuddapah	·72	
(vii) Nellore	·04	
Total ..	5·00	

8. The position of each of the distric
light of information of later date than that
subject were based and after taking ir
connected with the bubonic plague wl
calculations leave out of account such iten
under the law are not available for general

(i) & (ii) *Ganjám and Vizagapatam*
·17 lakh, respectively, from these Boards
accordingly.

ese proceedings, I am to observe, sum-
for which the Government had made
l in fact represented the result of the
o the despatch of Mr. Arundel's letter,
398, to comply with the wishes of the

roughout this correspondence to have
sidency does not allow of Local Boards
must be dealt with district by district.
ered a small amount with reference to
Presidency taken together, but it is a
nembered that it will have to be borne
to be on the whole amongst the poorest

Government of India, that subsequent
our letter acknowledges and before the
in scrutinized the budget estimates of
last year in view to ascertain whether
charges for the remainder of the year,
ricts as Cuddapah, and in fact to every

overnor in Council has had to consider
liture which could not be foreseen when
year were passed. This expenditure is
in the near future. All Local Boards
curtail expenditure wherever possible.
lakhs proposed by the Government of
oncerned in proportion to the outlay on
opinion of the Governor in Council is
n in the statement below, which also
ard in famine relief in 1896–97 and
en to cover deficits in 1896–97, the

t famine diture in 96–97.	Balance (col. 3 — col. 2).	Amount due to repay Provincial contribution in 1896–97.	Total to be fixed in each Board (col. 4 + col. 5).
3	4	5	6
AKHS.	LAKHS.	LAKHS.	LAKHS.
·03	·21	..	·21
..	·17	..	·17
·14	1·36	·23	1·59
·56	1·20	·57	1·77
·07	·50	·46	·96
·12	·60	·41	1·01
..	·04	..	·04
·92	4·08	1·67	5·75

Boards concerned is set out below in the
which previous communications on this
consideration the outlay on measures
these bodies will have to bear. The
s union and endowment balances which

urposes.

The recovery of the sums of ·21 lakh and
practicable and orders have been issued

(iii) *Kurnool.*—A provision of ·20 l
of the current year for a contribution to l
penditure, but the plague expenditure whi
to this body will, if this contribution is le
balance. As the plague estimates are mer
larger contribution than ·10 lakh during th
tion of ·23 lakh made to cover deficits in 1

(iv) *Bellary.*—A sum of ·08 lakh
towards famine expenditure. The recove
is impracticable. If this Board were to me
it would close the current year with a
still to repay the Provincial contribution
deficits.

(v) *Anantapur.*—After recovering
current year, it will, it is estimated, close
excess of the mimim working balance o
will still be indebted to Provincial funds i
in 1896–97 to cover deficits.

(vi) & (vii) *Cuddapah and Nellore.*
famine contributions by these Boards
this year. The Cuddapah District Board
tribution of ·41 lakh made in 1896–97,
district is estimated to close the year with
present minimum is counting balance of 5

9. The net result of the foregoing is
from the District Boards concerned in add
·92 lakh incurred in 1896–97 :—

Ganjám	..	..	..	
Vizagapatam	..	..	..	
Kurnool	..	..	..	
Bellary	..	..	..	
Anantapur	..	..	..	
Cuddapah	..	..	..	
Nellore	..	..	..	

The total contribution leviable from

10. The result of the orders of the G
throw an additional charge of (5 — 2·18 =
have also suffered through the famine in l
are now unable to meet their liabilities a
In li a sum of 1·67 lakh, the repayment
Provincial funds will, therefore, be affecte
to the extent of 4·49 lakhs, or only half a
the Government of India has pronounced

11. The Governor in Council trusts
which is now afforded to the Governmen
impracticability of giving effect to the d
except by making Provincial funds suffe
but consider as inequitable. The positio
existing circumstances and with heavy
improve for many years to come, and th
ba ned in spite of their further protest, c
of Provincial funds.

has been made in the budget estimate
vincial funds on account of famine ex-
according to present estimates will fall
ed, cause it to close the year with a *nil*
approximate, it is impossible to levy a
current year. The Provincial contribu-
-97 has still to be repaid.

s recovered from this Board in 1897–98
of any contribution in the current year
its plague expenditure as now estimated,
us balance of ·11 lakh. The Board has
·57 lakh granted in 1896–97 to cover

um of ·06 lakh from this Board in the
th a balance of ·07 lakh or ·02 lakh in
per cent. of the receipts. The Board
e sum of ·46 lakh, the amount advanced

he amounts (·60 and ·04 lakhs) due as
ly will, it is estimated, be recovered
still have to repay the Provincial con-
this will have to be postponed as the
alance of ·08 lakh only in excess, if the
cent. of receipts.

t the following sums are recoverable
n to the direct famine expenditure of

				LAKH.
			..	·21
..	..	..	..	·17
..	..	..	..	·10
..	..	..	..	·08
..	..	..	..	·06
..	..	..	..	·00
..	..	..	..	·04
..	..	Total	..	1·26

ict Boards is therefore 2·18 lakhs.

rnment of India will therefore be to
2·82 lakhs on Provincial revenues which
g to advance to the very Boards which
bitrarily fixed by the Government of
hich in the near future is impossible.
he decision of the Government of India
less than the entire expenditure which
Local. It must also be remembered that
the further exposition of this matter
ndia will convince of the absolute
n conveyed in your letter under reply,
extent which this Government cannot
cal bodies in this Presidency is under
expenditure threatening unlikely to
of the Government of India, if main-
e but one result—the undue crippling

Financial Department.

1995

s.406-Ganjam
461-N.Arcot
466-Kurnool
511-Cuddapah
553-Anantapur

Subject

Famine recoveries from Local funds.

In framing the revised and bud-
get estimates of Famine expenditure
for 1896-97 and 1897-98 respectively the Govt. of
India levied a contribution of 5.75
on Local funds in this Presidency as
10.00 in Bombay a

Financial statement for 189

ORDER—No. 1220, Financial, dated 13 December ~~November~~ 1898.

The report on the famine in the Madras Presidency during 1896–97 and the accounts of expenditure in the Nellore district show that a sum of 70·52 lakhs has been expended on relief works in the seven districts marginally noted. The distribution of the contribution of 5 lakhs which the Government of India insists on being realized from Local funds, if divided amongst these districts proportionately to the expenditure on works in each district, is shown in the following statement together with particulars of the direct *local* expenditure on famine in 1896–97 and of the contributions already levied:—

Ganjám.	Anantapur.
Vizagapatam.	Cuddapah.
Kurnool.	Nellore.
Bellary.	

Boards.	Expenditure on works up to date.	Distribution of 5 lakhs proportionately.	Expenditure on famine relief works by the boards in 1896–97.	Contribution levied in 1897–98.	Balance remaining to be recovered.	Contribution to Provincial on account of famine ordered in 1898–99.
1	2	3	4	5	6	7
Ganjám	3·31	·24	·03	·31	— ·10	·25
Vizagapatam	2·34	·17	..	..	·17	·26
Kurnool	21·14	1·50	·14	..	1·36	·20
Bellary	24·87	1·76	·56	·08	1·12	..
Anantapur	8·10	·57	·07	..	·50	·06
Cuddapah	10·21	·72	·12	..	.60	·48
Nellore	·55	·74	..	..	·04	·69
Total ..	70·52	5·00	·92	·39	3·69	1·94

2. The statement annexed to these proceedings exhibits the financial position for the three years ending 1898–99 of the boards in these districts. It excludes transactions connected with unions and endowments other than markets, as these are not available for general purposes, but includes the probable expenditure on plague, preventive measures.

3. The position of each district board is summarized below:—

(i) *Ganjám.*—This district board has already paid ·10 lakh in excess of the account leviable from it. The provision of ·25 lakh in the budget estimate for the current year as a contribution to Provincial funds will be cancelled and the excess amount (·10 lakh) will be re-adjusted to the credit of the district board by the Accountant-General. The board will close with a balance of ·40 lakh.

(ii) *Vizagapatam.*—This district has to contribute ·17 lakh only, but a provision of ·26 lakh has been made in the budget for the current year. The contribution of ·17 lakh should be levied at once. After meeting the estimated plague expenditure and providing 5 *per cent.* of the receipts as a working balance, this district should close the year with a net balance of ·23 lakh.

(iii) *Kurnool.*—The balance of contribution to be recovered from this district (paragraph 1 *supra*) is 1·36 lakh. The contribution (·23 lakh) made from Provincial funds to cover deficits in 1896–97 has still to be repaid. The total amount therefore stands at 1·59. The budget for the current year contains a provision of ·20 lakh for contributions to Provincial, but as the district board will close the current year with no balance whatever if it meets its plague expenditure, this amount will be reduced to ·10 lakh and recovered at once. The amount remaining to be recovered will then stand at 1·49 lakh.

(iv) *Bellary.*—The recovery of any contribution from this district is impracticable at present. The appended statement shows that the district board cannot meet the plague expenditure debitable to it and that it will probably close the year with a *minus* balance of ·44 lakh. In addition to the amount (1·12) shown in the statement in paragraph 1 *supra*, a contribution of ·57 lakh from Provincial funds made in 1896–97 to cover deficits has still to be repaid.

Fin. 1320/13-12-98

Financial Department.

Finl.C.No.1995

L& M. C.Nos.406-Ganjam
461-N.Arcot
466-Kurnool
511-Cuddapah
558-Anantapur

Subject

Famine recoveries from Local funds.

In framing the revised and budget estimates of Famine expenditure for 1896-97 and 1897-98 respectively the Govt. of India levied a contribution of 5.75 on Local funds in this Presidency as against 10.00 in Bombay and 12.67 in Bengal. The accounts of 1896-97 and the revised estimates of 1897-98 show a considerable diminution in the proportion recoverable in other provinces, while the amount of assessment in Madras has been steadily maintained at nearly the same figure (5.00) - vide statement A on facing page . In fixing this amount originally, the Govt. of India appears to have been misled by the very large closing balances shown under Local funds in the Madras Accounts of 1895-96 - viz, 41.48 lakhs, against much smaller balances elsewhere. But 18.03 out of this sum belonged to the village service fund, and no more than 22.69 to Local funds (Act V of 1884) India has not only ignored this but also the

[redacted]

Sir James Westland's order in Fin. Proc. page 7 of G.O.470 d/12-6-97 "Right margin between Provl. & Local" left blank.

G.O.No.69 Finl., d/25-1-97

+ Bombay to be shown with a balance of 38.60.
Cust

the facts that the balance of one district cannot legally be appropriated for expenditure in another and that most of the District Boards in the famine zone had very small balances of their own.

2. These matters were fully explained in the several letters of this Govt. quoted below:-

No.165 Fml d/18-2-97
No.470 " d/12-6-97 (para 4)
No.200 " d/28-2-98
No.379 B, d/18-4-98

but the Govt. of India has been persistently urging the recovery of the full sum of 5 lakhs, without indicating how the money is to be recovered or distributed among the several Dfstrict Boards concerned.

Para 4 of letter No.1334 A, d/22-3-97	Page 9 of G.O. 470 Finl, d/12-6-97.
Para 5 of letter No.1400 A, d/26-3-97	
Letter No.3863 A, d/31-8-97	G.O.741 Finl, dated 10-9-97.
Letter No.5398 A, d/24-12-97	Page 5 of G.O.Nos. 199 & 200, d/28-2-98
Para 2 of letter No.1182 A, d/11-3-98	Page 3 of G.O.379 A, d/18-4-98
Letter No.3055 A, d/12-7-98	C.No.1995. (that now under disposal)

The result is that this Govt. has been driven to the necessity of enforcing economies in every direction and [illegible] issuing orders for the [illegible] appropriation of every available balance [illegible]

Page 58 of G.O.No.2368 L., d/14-12-96.
Balance on Mar. 31, 1896

Anantapur	.15
Bellary	.08
Cuddapah	.32
Kurnool	.36
Ganjam	.24
Vizagapatam	.24
	1.29

G.O.133 Finl., d/8-2-97
,, 157 ,, d/18-2-98

H.M's orders on the Vizagapatam L.F Budget

and at Z in the Ganjam file-C.406 L

3. This process of retrenchment has now been applied by the Local & Municipal Dept. to the various budget estimates already passed by Govt., but the reductions amount to no more than .52 lakh as shown below:-

Ganjam	.25	C.No.406 L
Anantapur	.05	,, 558 L
Kurnool	.01	,, 466 L
N.Arcot	.07	,, 461 L
Cuddapah	.14	,, 511 L
	.52	

Returns to Govt

although the shears have been extended even to lighting charges for the remainder of the year in most of the districts and to the cost of digging wells and other necessary works in such places as Cuddapah.

Details of proposed reductions

C.No.406L.Ganjam

New building for the office of the District Medical & Sanitary Officer.....	7,900
Communications..	12,990
Maintenance of roads.....	1,630
Result grants.....	800
Increase of salaries of School masters.....	40
Do...of clerks & peons...	64
Conservancy Establishment....	1,391
Servant for native Choultry at Haripur..	24
Lighting Charges.....	100
Muchi in the Dt.Board's Office.....	72
Total.....	25,010

C.No.558 L. Anantapur

	Rs
Roads in Gooty & Penukonda	4,960
Lighting Charges	290
Total	5,250

C.No.466 L. Kurnool

	Rs
The road from Pyapalli to Garladinne	500
Chinna Cumbam road	600
Total	1,100

C.No.461 L. N.Arcot

	Rs
New Public Works in Unions	550
Maintenance of roads	4,130
Madras-Calicut trunk road to Kolathur village	150
Lighting Charges	2,270
Total	7,100

C.No.511 L. Cuddapah

	Rs
Digging wells and other necessary works	12,867
Lighting Charges	1,023
Total	13,890

M This has been approved by India. Vide para 10(1) infra

4. The total recoveries, including the direct outlay incurred by Local Funds in 1896-97, aggregate 4.51 lakhs as shown below:-

District	Direct L.F. Expenditure on famine in 1896-97 Page 55 of G.O.No.2474L d/31-12-97.	Recoveries G.O. 379 A, Finl., d/18-4-98 1897-8	1898-9	Recoveries Local Fund drafts now come for C.I. & G.O. 840L d/4-5-98.	Total recoveries	Debts due to Provincial	Net L.F. balance available for general purposes 31-3-99.
1	2	3	4	5	6	7	8
Ganjam	.03	.50 (e)	,,	.25	.78	.33 (c)	.14
Vizagapatam	,,	.11	.26	,,	.37	,,	.17
Anantapur	.07	.01	.01	.05	.14	.46	.05
Nellore	,,	.35	,,	,,	.35	,,	.14
Bellary	.56 (a)	.08	,,	,,	.64	.57	.09
Kurnool	.14	.18	.07	.12 (b) .01	.52	.23	.09
Cuddapah	.12	.28	.34	.14	.88	.41	.11
Trichinopoly	,,	,,	.33	,,	.33	,,	.12
Chingleput	,,	,,	.05	,,	.05	,,	.11
North Arcot	,,	,,	.38	.07	.45	,,	.18
Total	.92	1.51	1.44 .68	.64 .57	4.51	(d) 1.67 1	1.20

Footnotes.

(a) Including a provincial contribution of .50 given for roads but spent on famine G.O. 1658 Finl 3.10.96

(b) G.O.840 L., d/4-5-98

(c) Not included in the total, being the balance of an advance of 1.62 made in 1888-91 (G.O.182 Finl., d/13-2-92), waived by G.O.1021 Finl., d/17-12-95.

(d) Advances to cover deficits adjusted in 1896-97 - vide Page 12 of Financial statement for 1898-99

(e) Reduced by .19 or to .31 in the draft order of the L & M Dept. flagged Z (C.No.406 L & file.)

N.B. Recoveries proposed in para 10 (iii) infra- Ganjam 1897-98-.31

Vizagapatam	1897-8	.11
,,	1898-9	.26
Cuddapah	1897-98	.28
	1898-99	.34
		1.30

5. If the share recoverable from each Local board is to be determined by the actual outlay incurred on roads and communications within the district during the famine, the figures will stand as follows:-

District	Expenditure on Famine roads	Proportion of 5 lakhs	Proposed re-coveries.
Ganjam	2.15	.21	.78
Vizagapatam	1.84	.18	.37
Anantapur	6.27	.60	.~~40~~ 14
Bellary	21.75	2.08	.64
Kurnool	13.68	1.31	.52
Cuddapah	6.52	.62	.88
	M 52.21	5.00	3.33

attached to the note Cuds.

6. If the share payable is to be determined by the paying capacity of the Board, as judged by the total estimated receipts in 1898-99, the results are:-

M

Vide Abstract B compiled from Appendix VIII Vol. II. of the Famine report of the Board of Revenue for 1896 and 1897.

District	Estimated income	Proportion of 5 lakhs	Proposed recoveries
Ganjam	2.97	.55	.78
Vizagapatam	3.55	.66	.37
Anantapur	1.26	.23	.14
Nellore	3.21	.60	.35
Bellary	2.22	.41	.64
Kurnool	1.94	.36	.52
Cuddapah	2.51	.47	.88
Trichinopoly	2.74	.51	.33
Chingleput	2.38	.44	.05
North Arcot	4.15	.77	.45
	26.93	5.00	4.51

7. It will thus be seen that from every point of view the proposed recoveries are out of all proportion to the shares reasonably leviable.

The principle adopted in apportioning Plague expenditure cannot be applied to Famine Cuds

~~Not~~ Unless Famine breaks out in those districts. It will do no harm to keep the contributions in the budgets of the Local Boards even if Govt. cannot utilise them. This 1·02 (·83 + ·19) cannot be counted on at present, however Cuds

These considerations lead to much wider questions than that raised in the present papers which is briefly "How is Provincial to obtain this 5 lakhs from Local?" It must get the 5 lakhs or suffer itself Cuds

The cases of these Local Boards are not worse than the plight of Govt. which knows not where to turn for funds Cuds

* The available balances in all the 10 districts enumerated in para 4 supra aggregate 1.20 !!! (col. 8 of statt.)

Then again, unless all District Boards are called upon to contribute as in the case of Plague expenditure (G.O.No.547 Finl., d/18th June 1898)- e.g. in the shape of Contributions between Local and Local for improvement of sanitation, communications &c, the proposed recoveries from Trichinopoly(.33), Chingleput(.05) and N. Arcot(.45) cannot legally be insisted on. This makes a deduction of .83; then Ganjam is apparently to give only .31 and not .50 for 97-98; this cuts off .19: These deductions aggregate(.83+.19 =)1.02, leaving a recovery of 4.51-1.02 or 3.49 for the three years to be got out of the poorest and most seriously affected districts. The question thus presents considerable difficulties which are still further enhanced by a consider tion

(i) of the dreadful frequency with which famine reappears in a more or less aggravated form in all the affected districts, and

(ii) of the imperative necessity that exists for energetic action to minimise the effects of further attacks by an extension of Irrigation, Railway communications, water-supply &c., which can only be done by largely increased grants from Provincial to Local, instead by enforcing retrenchments of this character, which practically take away that little from the very little which Local funds are left with by Nature in these parts.

8

58

~~XXX~~ Further most of these districts are on the frontier and before quite emerging from the effects of the late famine they have been called upon to grapple with the still more serious problems connected with the plague.

Liability to Famine & frequency of attacks. Pages 3 & 8 of Famine report Vol.

Ganjam	Kurnool	Bellary	Anantapur	Cuddapah
1792	1804	1792	1792	1800
1836	1810	1803	1803	1805
1839	1824	1824	1823	1823
1865	1833	1833	1832	1833
1871	1853	1838	1838	1865
1872	1866	1844	1843	1876
1878	1873	1853	1844	1891
1889	1876	1866	1845	1896
1892	1884	1876	1853	
1896	1891	1877	1854	
	1896	1878	1866	
		1881	1876	
		1884	1877	
		1888	1878	
		~~1891~~	1884	
		1896	1891	
			1896	

8. As a way out of the difficulty, the Govt. of India offered in para 7 of its letter recorded in G.O.No. 741 Finl., d/ 10th September 1897 to advance to the Boards concerned such amounts as may be required for working balances - these advances to be recovered by instalments spread over the next three or four years. As a matter of fact, however, such advances have already been made direct ~~to~~ Provincial funds to cover deficits from ~~Local boards in the shape of contributions~~ in 1896-97. One direct result of enforcing further contributions from these deficit

From Provl. to Local
Contributions to cover deficits in 1896-97

Anantapur	.46	·04
Bellary	.57⊕	-·06
Kurnool	.23	-·21
Cuddapah	.41	-·06
	1.67	-·29

⊕ In addition to the ·50 given for roads - vide page 12 of Finl. Budget for 1898-99.

I don't follow these figures — From p. 56 of G.O. 2874 I / 31.12.97 it appears that the closing balances of the L. Bds were as shown in red ink? How do you get — 1.67? and, whatever the minus bal., has it not already been recovered in 1897-98?
BS

9

will be to increase these deficits

deficit districts which are automatically adjusted against Provincial funds by the Accountant-General under article 1359(1) of the Civil Account Code..

This argument is not conclusive If Imperial granted a Dt. Board a loan, the Dt. Board would have to make provision for the repayment in its budget and to keep its expendre within its budget. The automatic covering of deficits referred to does not absolve Dt. Boards from keeping to their estimates, and when their receipts are likely to fall on account of bad seasons the Boards should be compelled to look to their balances. But this argument equally applies to L. Bds repaying Provl. the amts transferred to put their balces right HS

Curb

9. In para 3 & 4 of G.O.No.731 Finl., d/8-9-97, the Accountant-General was requested to ascertain in communication with the Revenue & L & M.Depts. how much of the total famine expenditure would, in the absence of famine, have ordinarily been incurred by Local Boards and to adjust that amount against Local, treating the remainder as Provincial. It is understood that the Accountant-General has submitted his report on the subject, but the Rev.Dept. has not yet passed final orders.

The P.W.D. originally maintained a very careful distinction as regards the works they undertook, and classed under Local all works which, but for the famine, would have ben carried out by the Local Boards concerned, but under subsequent orders everything was made first Provincial and then Imperial. Now that the works have been closed and the expenditure thereon clearly recorded(App.VIII of the Famine report), the depts.concerned must be easily able to determine what works would in ordinary course have been treated as Local. This work of redistribution will however take some time, while orders have to be passed immediately to enable the Accountant General to close the final accounts of 1897-98; and this cannot be done without determining how much of the 5 lakhs should exactly be apportioned among the several District boards.

G.O. No. 133 Finl d 8-2-97

{G.I. Refce 19-B-0. A.C.W d 22-3-98. quoted in G.O. 542 Finl d 15-6-98

10

???
Curb

G.O. 658 Finl d 3-10-96

It is submitted that the ·50 should not be deducted from the Local famine expenditure in Bellary in 1896. 97.

Curb I ought to be, but I don't see how we can afford to do it.

⊗ Vide para 7 in page 7 supra.

I wonder how far the necessary metal required for roads intended to be metalled with this half lakh was provided by famine labour HS

10. Such being the difficulties of the situation, the Government of India letter in C.No.1995 comes in as a great relief. In this letter, India first recapitulating the history of the question from its own point of view and after repeating the complaints that no real efforts have been made to recover the full sum of five lakhs, and without noticing the explanations given in this Government's exhaustive reply No 200 dated 28th February 1898, - it proceeds to lay down the course to be adopted in the accounts of 1897-98, viz:-

(i) the actual expenditure incurred direct by Local Funds from the beginning of the famine in 1896 will be taken as part of the contribution of 5 lakhs - but exclusion of Provincial grants. - The actuals were .92 lakh up to February 97, including a Provincial contribution of .50 to the Bellary District Board which was first given for roads but afterwards utilised for famine. It is doubtful whether this .50 should be included or excluded. ⊗

(ii) Deducting from 5.49 the above amount (.92 or .42) the balance recoverable is 4.57 or 5.07 ~~4.08 or 4.58 and~~ the Madras Govt. will be at liberty to recover or waive what it likes.

(iii) If it does not recover the full sum of 5 lakhs, the penalty will be that the minimum Provincial balance of 10 lakhs guaranteed by India for 1897-98 will be reduced pro tanto,

tanto; in other words, the Imperial expenditure under 33 Famine relief will be diminished & the Provincial proportion raised by the amount of the aggregate recovery falling short of 5 lakhs.

(iv) On the other hand, the Provl. Govt. will be at liberty to recover the deficit in future years & take credit for it against Provl. i.e. in the same way as will be done with the 1.67 advanced in 1896-97 to the four districts mentioned in para 8 supra. (Note. Other famine recoveries are credited to Imperial under G.O.184 Finl.d/ 24th Feby.1898).

11. Submitted that this decision may be accepted as satisfactory. It does not matter very much for Provl., whether the minimum balance is retained at 8 lakhs or 18 lakhs, so long as this Govt. cannot utilise the money, and India allows expenditure of all the Provl. income up to the limit. In 1890 the Provl. balance stood at 79.76 lakhs, and was of no more use to this Presidency than the 10 lakhs lately reserved by India. On the contrary, India appropriated 17½ lakhs for its own purposes, and this amount together with a similar benevolence of 6 lakhs made in 1886-87 making a total of 23½ lakhs, still remains unadjusted. Query, if India should not be asked to deduct this amount from the Imperial Famine expenditure of 1897-98, treating the amount as repaid to Provl. under I Land Revenue, Adjustments and raising the Provl. share of famine expenditure, so that India may not hereafter speak of its great benevolences to this Presidency in the matter among the several District boards.

There is something in this argument — Bombay is hopelessly bankrupt for the period of the existing Contract — This being so, it really doesn't matter a rap how large a sum it is bankrupt. HD

Para 59 yellow paper in G.O. 9048 29-12-96

It was of great use in enabling Provincial to formulate schemes of improvement with a certain amount of success - not as at present to postpone schemes, however desirable, because of low balances.

Cuth But India has accepted a much larger sum than this against Imperial for recent famine expenditure. All this is beside the point whether or not Local Boards can or should contribute 5 lakhs towards famine expend^e. - India's sins in this direction have already been pointed out & it is more than one occasion, but a recital of them is no answer to the present question

Cuth

There can, it is submitted, be no doubt that they should be exempted altogether HD Cuth JA.

The longer this decision is deferred the less likely is Provincial to get the money ultimately

Cuth

Vide statement in para 4 supra

Please see below

of famine &c.

12. As regards the recoveries to be actually effected from the District Boards, it is submitted

(i) that all non-affected districts should for the present be relieved of the liability to contribute towards the 5 lakhs, (unless the whole Presidency is assessed).

(ii) that the Local & Municipal Dept. should be authorised to retrench only, such expenditure as can be altogether avoided or postponed without detriment to the welfare of the people in the affected areas, who have to live in perpetual dread of famine and plague, at all events to a greater extent than elsewhere.

(iii) that the determination of the actual amounts to be recovered from the Deccan districts, (including the advance of 1.67 made in 1896-97) may be postponed for a year i.e. until accounts of 1898-99 are closed.

(iv) that no more than 1.30 be recovered at present, say,

.31 from Ganjam

.37 from Vizagapatam (practically immune from famine)

.62 from Cuddapah (leaving the closing balance at .11 as in the budget)

1.30

which added to the .92 levied in 1896-97 makes up a recovery of 2.22

and

(v) that the remainder 5.00-

2.22

2.22 or 2.78 be treated as contributions to Local funds reducing the Provincial balance of 1897-98 to 7.22 lakhs.

13. No provision has been made for ~~the~~ famine relief in the current year in any other Province except Madras,§ and assuming that the next monsoon will be favourable, a good portion of the 8.50 provided for this purpose may be treated as added to the minimum reserve, so that the total Provincial assets may be set down at nearly 20 lakhs as shown below:-

§ Vide Statement C

Balance as above.....7.22

Add probable savings under famine & possible improvement in revenue with arrear collections.....8.33

Contributions to Local funds given in 1896-97.....1.67

Do.....now added.....2.78

20.00

14. India may then be addressed in the above terms and its attention drawn again to the extremely unfair treatment vouchsafed to this Presidency, where the aggregate closing balances under Local funds have fallen enormously as compared with other provinces as shown below:- Vide page 1 supra

	1895-96	1898-99	Diffce.
Madras	41.48	19.62	-21.86
Bombay	38.60	29.26	- 9.34
Bengal	12.91	16.59	+ 3.68
Punjab	19.52	14.51	- 5.01
N.W.P.	9.57	8.29	- 1.28

and yet the recoveries on account of famine are enforced at invidiously high rates in this Presidency:-

Madras

	Origl. estimates	Present estimates	Diffce.
Madras	5.75	5.00	-.75
Bombay	10.00	.30	-9.70
Bengal	12.67	6.43	-6.24
Punjab	7.46	5.58	-1.88
N.W.P.	Nil	Nil	Nil

There may of course be hundreds of explanations accounting for these differences of treatment, but when India itself, (which ought to know fully the peculiar circumstances of each and every one of the several provinces) ignores such important and patent facts as those pointed out in para 1 of this note, this Govt. (which) knows nothing of other Provinces) may well ignore the various latent factors causing these striking discrepancies on the face of the figures.

28-7-98

C.S.

The foregoing note which sets out the facts, is submitted although the conclusions cannot, it is thought, be accepted. The proposals are made from the point of view of the Local Boards alone but it is submitted that ~~matters~~ the question should be decided on broader grounds. In 1897-98 Bud Boards were exempted

from all direct famine expenditure and it would scarcely be equitable to Provincial funds, now that the day of settlement has arrived, to make the Local contribution merely nominal. No object would, moreover, be gained by deferring the settlement of this question. On the other hand, unless Dt. Boards clearly understand at once that Govt. is in earnest as regards this famine recovery and make up their minds to curtail their expendre wherever possible, it is highly improbable that Provincial will ever get the 5 lakhs. As pointed out at the end of para 8 of the foregoing note there is always the danger of the automatic adjustment against Provincial funds of the deficits of Dt. Boards, but if the Boards are kept well within the expendre side of their budgets these deficits should be possible only when there is an unexpected fall in the anticipated receipts of the year. Even in such cases it is submitted that the Dt. Boards should be made to endeavour to close without a deficit by restricting expendre. This would save these unexpected calls upon Provincial or would, at all events, minimize them, at times when Provincial itself is probably seeing its estimated balance dwindling – Govt. might, it is thought, be asked to

This was only a temporary exemption, for convenience of working
HS

(page 9)

HS

HS

call attention to these matters.

As regards the general question of debiting famine expendre to Local Funds, it is submitted that there is no reason why they should not bear their share of the calamity which happened to the Presidency. This share (5 lakhs) is a ~~very~~ small fraction of the total expendre & it can be spread over two or three years. It is submitted that the orders already issued and about to issue in regard to recoveries should, ~~it is said~~, be maintained. Whether the ~~large~~ amounts to be recovered from individual Dt. Boards will require to be adjusted with reference to the orders passed on the papers referred to in para 9 (page 9) of the ~~notes~~ note can, it is thought, be decided hereafter.

Yes. Of course if India should give way after another representation, the orders will be revised.
AH

HS

A.9.H

The note shows that the following recoveries are feasible and it is subd. that the Accountant General may be directed to adjust them to the credit of Provincial as early as possible: —

21·75	·91	·06	22·72

17

~~Actual expenditure in 1896-97~~

Recoveries already directed

(1.51 + 1.44 =) 2.95

Deduct

Abatement for Ganjam - .19
Trichinopoly — .33
Chingleput — .05
N. Arcot — .45 1.02

1.93

Recoveries to be made under L.G.'s orders issuing — .64

2.57

Add Actual booked Local Outlay in 1896.97 which India agrees to as being taken in abatement of the 5 lakhs .92

Total 3.49.

L G. might be requested to bear in mind the necessity for further recoveries being provided for to the extent of 1.51 lakhs when passing the budgets next year & reminded of India's offer in regard to the grant of loans to Local Boards which are unable to meet their famine expendre

CWS
31.7.98

L.G. might, it is thought, be asked to —

Cost of Famine relief works
Nov 1896 to Nov 1897
App VIII Vol II of Famine report.

District	Taluk	Cost of Communication	Cost of Irrigation	Cost of Miscellaneous works	Total
		Lakhs	Lakhs	Lakhs	Lakhs
Ganjam.	Berhampur	.10	.28	..	.38
	Parlakimedi	.01		.01	.02
	Ichchhapuram	.62	..	.01	.63
	Sompeta	.41	..	.12	.53
	Purushottapur	.51	.16	..	.67
	Ganjam	.34	..	.22	.56
	Tekkali	.16		.07	.23
	Total	2.15	.44	.43	3.02
Vizagapatam	Bobbili	.06	..	..	.06
	Chipurupalli	.10	..	.02	.12
	Vizianagaram	.50		..	.50
	Bimlipatam	.66	..	.01	.67
	Vizagapatam	.50	..	..	.50
	Sarvasiddhi	.02	..	.07	.09
		1.84	..	.10	1.94
Kurnool	Pattikonda	3.15	.19.00	..	3.34
	Ramallakota	2.83	..	..	2.83
	Nandyal	1.91	..	..	1.91
	Koilkuntla	4.21		..	4.21
	Sirvel	1.58	.26	..	1.84
		13.68	.45		14.13
Bellary	Adoni	6.50	.24	..	6.74
	Alur	9.88	..	.01	9.89
	Bellary	2.97	.01	.05	3.03
	Aspet	1.52	.16	.0	1.68
	Hadagalli	.66	.50	..	1.16
	Kudligi	.22	..	..	.22
		21.75	.91	.06	22.72

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District	Taluks	Cost of Communication	Cost of Irrigation	Cost of Miscellaneous Works	Total
Anantapur	Tadpatri	2.63	"	.01	2.64
	Gooty	1.76	.16	.02	1.94
	Anantapur	.83	.05	"	.88
	Dharmavaram	.85	.34	.01	1.20
	Kalyandurg	.07		"	.07
	Penukonda	.13	"	.01	.14
	Hindupur	"	.01	"	.01
		6.27	.56	.05	6.88
Cuddapah	Cuddapah	1.66	.09	"	1.75
	Proddatur	.86	1.18	"	2.04
	Jammalamadugu	1.87	.70	"	2.57
	Pulivendla	2.13	.23		2.36
		6.52	2.20	"	8.72
	Grand Total	52.21	4.56	.64	57.41

Communications		Percentage	Share of 5.00 payable
Ganjam	2.15	4.12	.21
Vizag	1.84	3.53	.18
Anantapur	6.27	12.01	.60
Bellary	21.75	41.65	2.08
Kurnool	13.68	26.21	1.31
Cuddapah	6.52	12.48	.62
	52.21	100.00	5.00

Details of Famine expenditure in 1896-97 & 1897-98

33. Famine Relief		Budget 1898-99 Imperial	Budget 1898-99 Provincial	Budget 1898-99 Local	Budget 1898-99 Total	Revised 1897-98 Imperial	Revised 1897-98 Provincial	Revised 1897-98 Local	Revised 1897-98 Total	Actuals 1896-97 Imperial	Actuals 1896-97 Provincial	Actuals 1896-97 Local	Actuals 1896-97 Total
		Lakhs	Lakhs	Lakhs	Lakhs	Lakhs	Lakhs	Lakhs	Lakhs	Lakhs	Lakhs	Lakhs	Lakhs
India	Civil	"	"	"	"	.82	"	"	.82	.10	"	.02	.12
Central Provinces	Civil	"	"	.01	.01	42.40	"	.10	42.50	12.73	"	.80	13.53
	P.W.	"	"	"	"	91.50	"	"	91.50	16.80	"	"	16.80
Burma	Civil	"	"		"	"	.43	.07	.44	.13	"	.06	.19
	P.W.	"		"	"	"	5.83	"	5.83	5.36	"	"	5.36
Bengal	Civil	"	"	"	"	34.60	30.78	3.56	68.94	"	18.35	2.87	21.22
	P.W.	"	"	"	"	20.00	"	"	20.00	"	3.20	"	3.20
N.W. Provinces & Oudh	Civil	"	"	"	"	34.50	"	"	34.50	21.33	-	.	21.33
	P.W.	"	"	"	"	72.40	"	"	72.40	78.00	.	.	78.00
Punjab	Civil	"	"	"	"	.	.05	1.36	1.41	"	.06	.35	.40
	P.W.	"	"	"	"	"	10.00	1.15	11.15	2.43	3.05	2.73	8.21
Madras	Civil	"	4.00	"	4.00	4.38	16.62	5.00	26.00	"	1.40	.92	2.32
	P.W.	"	4.50	"	4.50	66.86	"	"	66.86	"	3.31	"	3.31
Bombay	Civil	"	"	"	"	23.25	"	.15	23.40	"	2.40	.15	2.55
	P.W.	"	"	"	"	73.15	"	"	73.15	30.02	"	-	30.02
	Total	.	8.50	.01	8.51	463.86	63.71	11.33	538.90	166.90	31.77	7.90 (7.85)	206.58

C 8/18 12/7/8 A 17/9

Cuo 1995

(21)

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Famine recoveries from Local Fund.

A. M. & Mem.

It seems to me that we should make a further protest in this case, if necessary going to the Secretary of State – India seems determined not to understand that, whatever may be the case elsewhere, the law does not allow the L. Fund of this Presidency being treated as one whole, & that they must be dealt with, district by district. 5 lakhs is not a large sum considered with refce. to all our L. Bds taken together, but it is a very large sum considered with refce. to the 6 famine districts, which happen to be, on the whole, among our poorest. I should like to see an abstract statement made out of the L. Fund Receipts & Expendre. of these 6 Districts (by major heads) from 1896-97 (actuals) to 1898-99 (budget) – The heavy incidence of the charge of 5 lakhs would then, I think, be very apparent –

Another thing that India declines to admit, though without any argument or examn. of the figures, is that we are getting as much as we can out of these L. Bds – we have written fully on this in G.O. 199, 200 / 28-2-98 Finl., and have, I think, made out a good case.

As to the rest, I think we had better, if we must, accept the balance of the 5 lakhs as a charge agst Provl., as India proposes, rather than continue to cut down the District Bds any more – Vizag. might perhaps stand a little more bleeding & so might Cuddapah, but not the others; & with regard to those two it is hardly worth while being bankrupt, it does not make much difference to us whether we are [illegible] in for a penny, in for a pound.

HS

[Margin: HS — [illegible]]

I quite agree that we should make another protest to India. The legal restrictions under wh. we lie should again be forcibly insisted on, and also the fact that the ordinary administrative machinery of the L. Bds must go on under Local Bds. as under the Imperial & Provl. Govts. – famine or no famine – X.

Note.

The first point which it is necessary to take into consideration in connection with this matter is what District Boards can be called on to contribute for Famine. Since the funds of a District Board cannot be legally applied outside the limits of its district, it would seem to follow that no demand for famine expenditure can be made against Chingleput, North Arcot and Trichinopoly. On the other hand there was famine expenditure in Godavari, but except the Poor-house at Cocanada for which the Local Fund Board paid, it was all in Bhadrachallam which is outside the Local Fund district. There were some test works opened in Kistna but the work was paid for by Local Funds. We may therefore confine our attention to the districts of Ganjam, Vizagapatam, Kurnool, Bellary, Anantapur, Cuddapah and Nellore.

2. India has said that it will take 5 lakhs from Provincial balances and leave it to Provincial to recover as much or as little as it can or pleases from the Local Fund Boards. The direct expenditure on Famine by the Local Fund Boards above referred to was .92 lakh. The recoveries in 1897-98 are to be 1.32, those in 1898-99 are .68 + .57 = 1.25 lakhs or a total in all of 3.49 lakhs which leaves a balance out of the 5 lakhs of 1.51 due to Provincial.

3.

P/11 A

3. But besides this sum there is an item of 1.67 lakhs. Provincial is the banker of Local Funds and it allows them to overdraw their accounts. Such overdrafts amount to the item in question. The sum therefore which Provincial has to recover from Local Funds is 1.51 + 1.67 = 3.18 . This sum Provincial cannot in the existing state of its balances afford to make a present of to Local Funds.

4. It would seem to be the best plan therefore to require the Boards to borrow from India the money to pay their debts. They could borrow with a sinking fund etc. on at a small annual charge. This will ensure due economy and watchfulness on their part as the loan cannot be lost sight of and Provincial when in funds can step in and relieve them so far as it can by authorizing the payment of the loan from Provincial. This course will put the Local Fund finance on a sound basis since the Board will then know their resources and liabilities and will not be muddled or deceived by indefinite claims on and debts to Provincial.

5. In the above paragraphs I have stated the general position, but when we come to the consideration of the case of individual Boards, some further questions arise. The first is as to the principle on which the share of the 5 lakhs to be charged to each Board should be determined. I have distributed

But see note on p. 8 of the office note— I dont understand this item of 1.67 mining—
[illegible]

·X· and that practically the only means of retrenchment for L. Bds as for Govt lies in the stoppage of the expenditure on new works. It can be shown again how this has been done in the case of the famine-affected districts.
A.A.

I should not lay down any rule of proportion, but should get out of each Bd. as much as I thought I could without too severely crippling their operations.
[illegible]
8/8/98

This method proposed by my Hon. colleague hardly seems equitable .X.

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·X· Each district stands by itself & the amt. to be recovered wd. be equitably apportioned accg. to famine expenditure on works.
A.A.
9.8.98

I fully agree with Hon. Members that we should make a further and strong representation to the Govt. of India, in this matter. I would allow the question of how the apportionment should be made, to stand over, — until we have had a reply from India.
A.S.H.
15.9.98

N.B. This paper has reached me to-day only although it passed the Hon. Mr. Arundel on 9.8.98, and is marked Urgent.
A.S.H. 15.9.98

The paper was sent to H.E. on the 9th August.
[illegible] 6/9/98

C.A.
Drft to India and make it strong in every way [illegible]
[illegible] 17/9/98

distributed it proportionately to the famine expenditure on works. Since it is only works expenditure which can be legally thrown on the Boards. Debiting each Board in this way with its share of charge and setting against it the recoveries ordered, I find that the Boards of Ganjam, Vizagapatam and Nellore are entitled to some deduction from the sum ordered to be recovered amounting for the three to .86 lakh. This means that a balance of 4.04 including overdrafts has to be recovered from the Boards of Anantapur, Bellary, Kurnool and Cuddapah. The details of the calculation are shown in the annexed statement A

A 14

Districts.	Expenditure on works up to date.	Distribution of 5 lakhs proportionally	Over drafts (vide col.7 of statt.on page 5 of note)	Total of cols. 3 and 4.	Recoveries ordered Cols.2,3,4, and 5 of statt. on page 5 of note.	Balance due by Local Difference between Cols. 6 and 5.
1	2	3	4	5	6	7
GANJAM	3.31	.24	,,	.24	.59	−.35
VIZAGAPATAM	2.34	.17	,,	.17	.37	−.20
ANANTAPUR	8.10	.57	.46	1.03	.14	+.89
BELLARY	24.87	1.76	.57	2.33	.64	+1.69
KURNOOL	21.14	1.50	.23	1.73	.52	+1.21
CUDDAPAH	10.21	.72	.41	1.13	.88	+.25
NELLORE	~~.51~~ 55	.04	,,	.04	~~.35~~ 69	~~−.31~~ 65
	~~70.48~~ 52	5.00	1.67	6.67	~~3.49~~ 383	~~3.18~~

F G.O. No. 798 Fmc dt 16.9.98.

Note. The figures for the first six districts are found on page 44 of Vol.1 of the Famine Report for 1896-97. The information for Nellore has been gathered from G.O. Nos. II 535, Finl., dated 14-6-98, III 578, Finl., d/ 5-7-98 and B.P.No. VI 244, d/11-7-98. - 535 Fmc dt 14.6.98 & 936 Fmc dt 25.10.98 2 Pieces.

Desp'd 17/9/98

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Financial Dept

Ordinary

Telegram - to

Accounts, Madras.

559 x Please send statement showing by major heads receipts and expenditure of District Boards of ~~Ganjam~~ Bellary, Vizagapatam, Kurnool, Anantapur, Cuddapah and Nellore for 1896-97, 1897-98 and 1898-99 giving ~~[illegible]~~ latest approved budget figures for latter year

Cwd.
17-9-98

[illegible] 17-9-98

Note We can find the actuals of 1896-97 but ~~[illegible]~~ must get those of 1897-98 will be from the A.G. The quickest & safest way to get the statement will be from the A.G.

Cwd.

despd 17/9/98

Return file to C.A. after despatch of telegram

Reminder to A.19.

Financial Department.

@ Desp'd 30/9/98

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Telegram to

Accounts - Madras.

581/x Please expedite statement asked ~~in~~ per telegram my 559 Seventeenth. ~~Urgently required.~~

Cml 30.9.98 [illegible]

[illegible] 29/9/98.

Return to A3 after despatch

×

C 25/11 Rec'd 30.11.98 C. 2.12.98 C.6.12.98 R 6.12.98 R 7.12.98

Local Contributions to Famine Expenditure

178

Note.

The statement showing the receipts and charges of the six district boards of Ganjam, Vizagapatam, Kurnool, Bellary, Anantapur and Cuddapah, which the Hon. Member required (vide his note at flag X/V), as obtained from the Accountant-General, is printed on pages 5 and 6 of this prop. From this statement and from information collected from the Local and Municipal Dept. and from their reports, the statement attached to the draft order has been compiled. This has been delayed to include probable Plague expenditure this year. This statement shows the transactions of the district boards involved in the present question but excludes Union and Endowment transactions which are not available for general purposes. It includes market receipts which are available.

2. Some difficulty has been felt in drafting as H.Ms. and H.E. are not agreed in regard to the proportion of the 5 lakhs to be debited to each district board. The Hon. Sir Henry Bliss has noted that he would "not "go by any rule of proportion but "should get out of each board as much "as I thought I could without too "severely crippling their operations". The Hon. Mr. Arundel considers that

the

the amount to be recovered would be equitably apportioned according to famine expenditure on works. H.E. the Governor would allow the question of apportionment to stand over until India has replied to the representation now to be made to it (*vide* notes on pages 22 and 23 of the Notes(after flag XIV).

3. On this point attention is solicited to the statement (A) attached to the C.S.'s. note (flagged XI).

4. There is no difficulty in setting out the position of these District boards in the letter to India if the division proposed by the C.S. and accepted by the Hon. Mr. Arundel × is settled upon, but in the absence of some such plan ~~decision on this point~~ it will not be practicable to place a plain statement of the affairs of each board before India. On the other hand if the 5 lakhs is not to be divided proportionately, India will be able to point to some famine districts e.g., Ganjam, Vizagapatam and Nellore, from which large contributions can be levied. This would weaken the case of the Govt.

The Accountant-General also has asked as to the recoveries to be made from District Boards.

5. With reference to the Hon. Member's query on p.8 of the notes (flag XXIII) it is submitted that the sum of 1.67 lakh represents contributions from Provincial in 1896-97 to cover deficits in the District Boards of Anantapur, Bellary, Kurnool and Cuddapah,

I now accept the Hon. Mr. Arundel's view on this question.

A.G.H.

× The draft order and letter proceed on this assumption

Cml

It had better follow this line to enable us to address India effectively.

A.A.

2?.11.98

A.G.H.

5.12.98

188

Cuddapah, Column 6 of the statement attached to the draft shows that all these boards except Anantapur closed with minus balances in spite of these contributions. It has been ascertained u.o. from the A.G's. office that no adjustments to the credit of Provincial revenues (except '08 from Bellary) were made in 1897-98 as the balances of these districts boards were too low and as after deducting the minimum ~~minus~~ working balance (5 *per cent* of the receipts) there was little to recover. The Accountant-General is awaiting orders on the present letter before making any adjustments in the accounts of 1897-98 or 1898-99.

CMcS

16.11.98

[L. & M. / 250—13-10-97.]

NOTE FOR THE Secretary

In para 3 of the draft order no uniformity has been observed in referring to the estimated net balance available for general purposes at the close of 1898-99. In the case of Ganjam for instance, the balance includes five per cent of the estimated receipts, which is generally reserved as a working balance for the ensuing year, while in Vizagapatam it excludes such reserve. The draft order should therefore be modified as shown in pencil.

V.R.
22/11/98

The 5 p.c. reserve has been included in all cases.

W.T.

To Fin. u.o.

CHIEF SECRETARIAT
22 NOV. 1898
MADRAS

C.S.

The ~~corrections have~~ figures have been made uniform vide red ink corrections. & the draft may issue?

Club
23.11.98

Yes.

[initials] 24/11/98.

11

Financial department.

C. no. 1556

4/20

Recoveries from Local Funds on account of Famine [illegible]

1896-97 & 1897-98

Sir Henry Bliss – K.C.I.E.

Hon. Mr. Arundel –

His Excellency the Governor –

Page 1.

Famine expenditure in 1896-97 & 1897-98.

Statement A

Part 8 of G.O. Fin. No 470 d 12-6-97	Revised Estimate 1896-97	B.E 1897-98	Total	Civil estimates 98-99 pages 425. actuals 96-97	R.E 1897-98	Total.
Imperial						
N.W.P.	110.00	85.00	195.00	99.33	106.90	206.23
Punjab.	..	12.60	12.60	2.43	..	2.43
Bengal	..	70.13	70.13	..	54.60	54.60
Cen. Provinces	20.50	67.79	88.29	29.53	133.90	163.43
Bombay	18.99	57.03	76.02	30.02	96.40	126.42
Madras	..	1.93	1.93	..	71.24	71.24
Other Pro.	7.30	.13	7.43	5.59	.82	6.41
Total	156.79	294.61	451.40	166.90	463.86	630.76.
Provincial						
North. W. Pro	..	..	..	..	..	..
Punjab	2.31	..	2.31	3.11	10.05	13.16.
Bengal	18.50	22.18	40.68	21.55	30.78	52.33
Centr. Pro.	..	..	..	..	..	..
Bombay	6.11	..	6.11	2.40	..	2.40
Madras	3.25	13.11	16.36	4.71	16.62	21.33
Other Pro.	..	6.51	6.51	..	6.26	6.26
Total	30.17	41.80	71.97	31.77	63.71	95.48
Local						
N.W. Pro.	..	..	..	..	..	..
Punjab	3.28	4.18	7.46	3.07	2.51	5.58
Bengal	4.50	8.17	12.67	2.87	3.56	6.43
Centr. Pro.	1.00	.21	1.21	.80	.10	.90
Bombay	..	10.00	10.00	.15	.15	.30
Madras	.75	5.00	5.75	.92	5.00	5.92
Other Pro.	.08	.15	.23	.08	.01	.09
Total Local	9.61	27.71	~~27.72~~ 37.32	7.89	11.33	19.32
Total I. P. & Local	196.57	364.12	560.69	206.56	638.90	745.46

Local Fund Balances

	Budget 1898-99	Revised 1897-98	actuals 1896-97	actuals 1895-96
	Closing balances			
N.W. Pro.	8.29	7.65	6.06	9.57
Punjab	14.51	13.47	14.86	19.52
Bengal	16.59	17.39	17.42	12.91
Centr. Pro.	3.26	3.32	4.67	5.72
Bombay	29.26	30.54	34.37	36.60
Madras	19.62	29.60	38.66	41.49
Other Pro.	9.28	14.87	14.83	17.38
Total	100.81	116.84	130.87	145.18

Code Class

INDIAN TELEGRAPHS. Monthly Number.

To (Office) Telephonic

From (Office) Finance

Words. | Day. 7 | Hour. 13 | Minute. 15 | Official Instructions. Message 2

CHIEF SECRETARY * GOVERNMENT OF MADRAS 7 DEC. 1898

To (Person) Chief Secretary Financial Dept.

From (Person) Accountant Genl.

Out of 5 lakhs transferred to 33 Famine Relief Local under para 3 of G.I letter No 3035 A dated 12 July 97 Rs 92066-12-7 was debited to that head in 1896-97 and 31000/- on account of Ganjam in 1897-98. The balance to be transferred is 376933-3-5. I request to be informed what further adjustment on this account is likely to be made the accounts of 97-98 are to be closed shortly.

CH

64 Word Form.

F.C 2.

They were sent to the Hon.

Recd. from Mr. Winterbotham yesterday. Sent to LN.

At Hrs. Mts. by 7/12/98 At Hrs. Mts. by

Telegraph Master.

C G P—No. 404 T—22 12 97—3600000.

Nellore ·04 "

~~Total ·87~~

A sum of ·10 lakh is returned to Ganjam - Total recoveries ·87 lakh

P.T.O.

[G/118.]

200—19-10-98.

Financial Department.

C. No

TELEPHONE MESSAGE.

From

The Chief Secretary

~~CHIEF SECRETARIAT,~~

To

The Accountant General

Dated 8th December 1898.

Q

Return to B.C. after despatch

Cml

To file with the original of the order

Cml

Your telephonic message of yesterday regarding recovery of 5 lakhs from Local Funds.

Orders are ~~[illegible]~~ ~~[illegible]~~ issuing and will be communicated soon. The following recoveries have been ordered.

~~Ganjam ... ·10 lakhs~~

Vizagapatam	·17	"
Kurnool	·10	"
Anantapur	·06	"
Cuddapah	·60	"
Nellore	·04	"
~~Total~~	~~·87~~	

A sum of ·10 lakhs is returned to Ganjam – Total recoveries ·87 lakhs

P.T.O.

2. Besides ·31 lakh recovered from Ganjam in 1897-98 a sum of Rs 7780 was contributed to Provincial on account of famine by Bellary in the same year. Vide G.O. No 1614, L. d 1-9-98, page 7, para 33. The sum remaining to be recovered out of the 5 lakhs is 2.82 lakhs.

[illegible] 8/12/98

CMS [illegible] 8.12.98

[illegible] 10/12

8.XII.98

Recd 8-12-98

8
31
8
1.26
92
2.18
2.8