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MADRAS RECORD OFFICE

Government of Madras

Public (Forests) DEPARTMENT

G.O. No. 1358-57	Press
B.P.—No.	—Mis—
	C874
Dated 21—5—195—	

Not to be folded or roughly handled

No. 439. Read the following letter from Colonel C. H. DICKENS, R.A., Secretary to the Government of India, Public Works Department, (Account —Irrigation,) to Colonel G. W. WALKER, R.E., Secretary to the Government of Madras, Public Works Department, Irrigation Branch, dated Fort William, 11th February 1874, No. 30 A. I.:—

I AM directed to acknowledge receipt of your letter, No. 2,684, dated 3rd November 1873, containing a further explanation on the points noticed by the Government of India in connection with the Madras Irrigation budget-estimate for 1873-74, and in reply to state as follows.

2. As regards the manner in which provision should be made in the budget-estimate for unforeseen Major Works, or for the completion of Major Works in progress from the previous year, I am to say that, as a rule, the provision for such works should not be included in that for Minor Works. The grant for the latter head of service is intended primarily for the purpose of meeting outlay on works of which the cost does not exceed Rupees 2,500 each, and only the balance that may be available after meeting all such outlay is at the disposal of the Local Government for larger works up to a maximum cost of Rupees 10,000. For still more costly works, and for incompleto works brought forward from the preceding year, other than Minor Works, the funds that may be required must be obtained by a reappropriation of credits from the grant for Major Works. It is true that by this arrangement the original provision for Major Works may be seriously changed, but this is usually compensated for by short outlay on some of the works towards the end of the year.

3. With reference to the provision for Minor Works, I am to observe that the rules and forms for Irrigation Works require a different procedure to be followed from that observed in the case of buildings and roads. In the latter case, the provision for Minor Works is made in one lump sum under that head of service to which the grant appertains. But in the case of Irrigation Works, which in some territories consist chiefly of a few large projects, it is often necessary to distribute and allot the Minor Works grant among the several projects, and still further to divide each such Minor Works allotment to a project into two portions, one for Capital, and one for Revenue. Thus if there were ten Irrigation projects in a province, the grant for Minor Works has to be distributed in ten portions amongst these ten projects, and each such portion has to be again sub-divided between Capital and Revenue. The object of the division is to show what the total Capital or Revenue expenditure of a project is likely to amount to, so as to admit of a restriction of outlay if necessary.

4. In the Madras Presidency, however, this arrangement is less applicable. And until some decision is arrived at as to keeping the Capital and Revenue Accounts of the smaller works, it seems proper to allow the provision for Minor Works to be made as heretofore under one item; but I am to ask that, if possible, this provision may be shown under the two heads of Capital and Revenue.

5. In appropriating this total, the rule to be observed is that, as the provision is intended for Minor Works, all the wants of Minor Works must be first satisfied, but when this has been fully done, the balance may be made available for appropriation for new Major Works. But in making appropriations from the

Minor Works grant, it should be stated whether the outlay is debitable to Capital or to Revenue, so as to admit of the expenditure being recorded accordingly. For incomplete Major Works of previous years, it is desired that the funds should be found by a reduction of the grant for such works entered in the budget-estimate.

6. As a limit to the total of the Minor Works grant, I am to say that the rule restricting the allotment to 10 per cent. of the total assignment does not seem to be unreasonable, for, excluding the outlay on Major Works, the charges for Minor Works in previous years have amounted to scarcely three-quarters of a lakh per annum, whereas the nominal grant that could be allowed under the 10 per cent. rule would be Rupees 2,50,000. But in deference to the opinion of the Government of Madras that it is necessary to provide a liberal grant for Minor Works in view to the preservation of the numerous small works by which more than half of the irrigation of the Presidency is carried on, the Government of India do not object to the percentage being increased. It is left to the Government of Madras to propose the extent to which this should be done. If necessary, and if the Minor Works now should not to a large extent be liable to become included in Major Works by the process of grouping the tank projects together, the Government of India will be prepared to agree to a fixed sum being given as the normal allotment for Minor Irrigation Works. But the appropriation of this grant should, if possible, be made under Capital and Revenue, and when the time arrives the budget-estimate should be prepared to show its application for each group of works.

7. The Government of India agree to the allotment for Tools and Plant for 1873-74 under the head Ordinary Irrigation being increased to Rupees 50,000 by a reappropriation of Budget credits. But I am to invite attention to paragraph 20 of the orders on the budget-estimate for buildings and roads for 1873-74, and to inquire why no portion of the provision for expenditure in England on Tools and Plant is made debitable to Provincial and Local Funds.

8. The explanation furnished in the 9th paragraph of your letter under acknowledgment, and in the Chief Engineer's memorandum therein referred to, respecting the impracticability of determining the cost of establishments debitable to Irrigation Works otherwise than by a ratable distribution of the charge, has received the attentive consideration of the Government of India. It is admitted that as the establishments are organized at present, the exact incidence of the charge cannot be determined so far as the total outlay is concerned. But I am to point out that the inquiry made by the Government of India did not refer to the total, but only to such portion of the charge as was debitable to Loan funds. By debiting these funds with a ratable distribution of the amount, the charge for establishment comes to 30 per cent. of the outlay on works, whereas the sums provided for establishment in the estimates for the projects range only from 15 to 20 per cent. Believing that the establishment really occupied with these works does not exceed this latter provision, the Government of India is anxious to ascertain and exhibit properly in accounts the real charge or outlay incurred for the establishment of each such project debitable to Loan funds, and to prevent its being burdened with the undue excess resulting from the large percentage based on a ratable distribution of the total charges of the province. It is hoped that

the Government of Madras will be able to arrange this. I am to refer to the particulars recently given of the establishment employed in maturing the Sungum Project, and to suggest that a similar apportionment for the other large projects debitable to Loan funds would meet the object in view. The necessity for avoiding any undue debit for establishment to the Capital Account of such projects is so obvious that I am again to press the question on the attention of the Government of Madras.

9. To mention one case, that of the Godavery Delta Works. A certain establishment *is* employed on those works. The cost of that establishment should be kept distinct as forming the specific or direct charge for establishments. The indirect charge for establishments or share of the general establishment should be limited to its share of the charges for Direction and Account, and the cost of this would be fairly arrived at by the usual proportion of those charges to the outlay, say 5 per cent. The aggregate of the direct and indirect establishment thus respectively ascertained should be the amount to be debited to the Capital Account of the project. Where the Officers employed on the project are also otherwise employed, as on the supervision of expenditure debitable to Revenue or to Provincial and Local Funds, a fair deduction should be made on this account locally, and the balance charged as the direct establishment of the project.

10. To apportion the charges for establishment in the way suggested would no doubt cause some additional work. But in many cases a compromise, such as is in force in the North-Western Provinces and Punjab, might be usefully applied. Two percentages might be assumed for permanent use as representing the cost of establishment in concentrated work and in scattered work, respectively, say 20 and 30 per cent. And in mixed divisions, whichever description of work therein involved the *least* outlay might be debited with its percentage, and the balance be charged as the establishments of the remaining, *i. e.*, the larger portion of the works. What these percentages should be would be left for the Government of Madras to determine, but once determined they should not be lightly altered. I am to ask for an expression of the views of the Government of Madras on this suggestion. If it is considered to be unsuitable, or if it is not found practicable, it is hoped the Madras Government may be able to suggest some plan whereby the requirements of the case can be provided, otherwise there will be no alternative but to revise the general estimates for Loan Fund irrigation schemes, so as to admit of the charges for establishment being provided for at the proportionate rate of outlay. The matter is important, and I am to ask that the question may receive early consideration, a report on the subject being made to the Government of India as soon as possible. I am to add that if the Government of Madras considers it necessary to do so in order to avoid clerical work, the Government of India will have no objection to the total charge for establishment, debitable to Irrigation Works, being based on a fixed percentage.

11. The orders issued by the Government of Madras for commencing a classification of the Capital outlay on certain irrigation works have been received with much satisfaction by the Government of India. But I am to ask for a slight modification in the orders issued. They provide for the budget-estimate being

prepared under the major and minor heads prescribed by the Government of India, but not the sub-heads. However one of these major heads of account—B. Cost of Land—has no minor heads, but it has, with the Government of India, two sub-heads, *viz.*, *a* Main Canal and Branches, and *b* Distributing Channels. These being sub-heads the Government of Madras does not propose to adopt, but, as it is desirable that the entire cost of distributary channels should be placed on record, it will be expedient to treat these sub-heads of cost of land as minor heads, and I am, therefore, to request that the orders issued may be modified accordingly.

No. 440. ORDER THEREON, 21st May 1874, No. 1,356.

IRRIGATION, No. 37.
Account.

THE Government observe, with reference to the wishes of the Government of India in regard to the provision for, 1*st*, unforeseen Major Works, *i. e.*, works costing more than Rs. 2,500 and less than 10,000; and, 2*ndly*, Incomplete Major Works of the preceding year, that the Budget entries for Major Works of 1874-75 show seven works, and a total of Rs. 1,03,000; and, even putting unforeseen works entirely on one side, it does not seem to be practicable to provide for the incomplete works of 1873-74 out of the few works to be carried out from the ordinary grant in the year just commenced. The budget-estimate, as prepared, provides for such works to the extent of Rs. 30,000, under the head Minor New Works, and it is not at present known what the exact demand on this account will be; but His Excellency the Governor in Council thinks that, while it may be practicable and also right in principle to limit the sanctions for Major Works brought forward exceptionally and without the usual previous entry in the Budget to projects which manifestly could not be postponed until the following year without serious detriment, and to require that funds on their account should be provided out of either the allotments for budgetted Major Works or savings on the Minor New Works grant, it would not be advantageous to alter the amounts made available for the Major Works of the Budget, in order to provide money for incomplete works, as such alterations are very apt to interfere prejudicially with the proper management of work; and, by introducing an element of uncertainty as to the amount to be laid out on individual work within the year, to lead to short progress, with probably as a consequence increased cost. His Excellency considers that the more satisfactory arrangement would be to make direct provision for incomplete works under that head in the annual Budget, upon the understanding that the sum so provided is to be deemed available for no other purpose, and that on orders being passed on the lists of incomplete works of any year, the saving, if any, will be reported to the Government of India. It is of course very desirable that works intended to be completed within the year should be completed, but experience shows that, apart from any want of attention on the part of executive officers, this cannot always be secured. Variations in the season are an important and disturbing element, and, of course, if allotments for "Unforeseen Works" be diverted from Budget works, the sums so withdrawn will in many cases have to be made good at the commencement of the following year under "Incomplete Works." It will

Budget-Estimate, Part II.

therefore be proposed to the Government of India that the sum of Rupees 30,000 entered in Part II. of the Irrigation Budget of 1874-1875 for Minor New Works (at the disposal of Government) should be altered to "Incomplete Works of 1873-74."

2. When the letter of the 3rd November last, No. 2,684, was written, it was not clearly understood that the 10 per cent. laid down as the limit of the lump sum provision for Minor New Works was to be calculated on the total amount of the ordinary grant, and, under the information now given, the Government are of opinion that the rule may be accepted, and that it will make available as much money as it is likely can be profitably expended. It is observed that the Government of India name 2½ lakhs as the grant allowable for Minor New Works for this year under the rule, but it is not certain that it will now be practicable to make arrangements for spending profitably this much larger amount than was supposed to be available, and the Government of India will therefore be asked to increase the grant of Rupees 73,550, entered in the Budget as submitted, to Rupees 1,50,000 for the current year, and the Chief Engineer for Irrigation will be directed to prepare proposals for distributing the difference as the circumstances of the several districts may render expedient, so that on the receipt of the reply of the Government of India no time may be lost. It will be desirable to keep at the disposal of Government a sum sufficient to provide for such works as may be beyond the powers of sanction of District Officers, but District Engineers will be in due course informed that estimates up to Rupees 2,500 for such works should be submitted for sanction without delay, all in excess of that limit being either sent forward for sanction and Budget entry or, for sufficient reason given, for immediate execution as unforeseen works. In preparing the budget-estimates for 1875-76, the Chief Engineer for Irrigation will take care that the provision for Minor New Works is made in accordance with the wishes of the Government of India, and that the total amount is divided between Capital and Revenue. It has already been laid* down that Minor Works costing under Rupees 5,000 are, when these are additions to any of the works or projects for which Capital and Revenue Accounts are kept, to be treated as a charge against Revenue, while all other expenditure on account of Minor Works will be debited to Capital. The rule is simple and there will be no difficulty in carrying it out. For 1875-76 District Engineers will show what sums for Minor New Works chargeable to Revenue and Capital, respectively, they will require, and for the former it will of course be understood that estimates amounting to more than Rupees 750 each must be duly sanctioned by Government before any expenditure can be incurred. The lump sum entries in their budget-estimates for Minor New Works chargeable to Revenue should be explained by an appended list of the works they propose to undertake, and such estimates as require superior sanction should, as far as possible, be submitted by the 31st January, so that they may be disposed of before the time for carrying them out arrives.

3. The Government observe that it is too late to make use of the permission accorded, in paragraph 7 of the letter from the Government of India, to increase

* G. O., No. 2,731, dated 10th November 1873.

the allotment for Tools and Plant under Irrigation Ordinary to Rupees 50,000.

G. O., No. 2,385 dated 29th September 1873. The previous sanction was for Rs 23,000 and this amount was increased afterwards by Rupees 1,000.

For 1874-75 the Budget provision is Rupees 25,000 under Capital, Ordinary, and Rupees 30,000 under Revenue.

4. With regard to the apportionment of the charges for establishments the Government are of opinion that the readiest way of meeting the wishes of the Government of India, and of at the same time debiting to loan works their fair share of the cost of establishments employed in their supervision in common with other works, will be to substitute for the present system of considering for this purpose the Public Works Establishment of the Presidency as a whole, an arrangement whereby the cost of the establishments of each executive range will be divided among the works carried out in that range, in proportion to the outlay upon each class or description of work. To the charge for executive establishments will be added a share of the District Establishments (Direction), and also a proportion of the charges for general direction and account. It is understood that a proposal of this kind has been submitted by the Controller of Public Works Accounts to the Chief Engineer for Irrigation, and as this arrangement would appear to be feasible, and to be likely to give far more accurate results than the present system, it will, subject to the approval of the Government of India, be introduced from the commencement of the current official year, and the Controller will also be instructed to prepare a statement showing what relief, if any, to the charges to loan works, calculated on the principle hitherto adopted, will result.

5. Much as would be the benefit in the way of simplicity, which would arise from the charges for establishments being debited to Irrigation works by a fixed percentage, as suggested by the Government of India, it is thought that practically there are serious objections to the adoption of such a plan, for, were that percentage at any time to be materially exceeded by the charges to Local Fund Works, it would be difficult, and at the same time not right, to resist the demand for an adjustment, and there would consequently be a danger of the percentage being fixed only in name. With the outlay on works of different classes, on which the same establishments are indifferently employed, varying as they must do from year to year the establishment charges debitable to each class must vary also, and a fixed percentage for one class would make the percentages chargeable to the other classes sometimes materially unequal.

6. It is observed that in the preparation of the budget-estimate, Part III., so far as the classification of the Capital outlay could be prepared in time, the entries under B. cost of land have been given in detail, and it is remarked that it appears to be necessary sometimes to use other sub-heads than those, viz., Main Canals and Branches, and Distributing Channels, desired by the Government of India. Drains are, for instance, in some instances another necessary sub-head, and the wishes of the Government of India will best be met by directing that proposed outlay on the purchase of land for canals and distributing channels respectively

shall always be exhibited separately, as also that for any other distinct class of work, such as drains, etc.

Ordered that the following letter be sent:—

(Here enter No. 1,357, dated 21st May 1874.)

(True Extract.)

Lieut.-Colonel, R.E.,

Joint Secretary to Government.

To the Chief Engineer for Irrigation.
" Officiating Controller of Public Works Accounts.
To District Engineers.

Fxd. E. C. Shunker.

Spare Copies

1874 P. W. Department

Proceedings of the Madras Government

Read the following:-

From the Secretary to the Government of India } (H.L. No 30 A-I dated 11th February 1874)

The Government of India, with reference to the wishes of the Government of India in regard to the provision for, 1st unforeseen Major Works, i.e. works costing more than Rupees 2500 and less than 10,000; and 2dly incomplete Major works of the preceding year, that the Budget entries for Major works of 1874-75 show 7 works, and a total of Rupees 108,000; and, even putting unforeseen works entirely

1 Budget Estimate Part II

entirely on one side, it does not seem to be practicable to provide for the incomplete works of 1873-74 out of the few works to be carried out from the Ordinary grant in the year just commenced.

The Budget as framed, as prepared, provides for such works to the extent of Rupees 30,000, under the head Minor New Works, and it is not at present known what the exact demand on this account will be, but His Excellency the Governor in Council thinks that, while it may be practicable, and also right in principle, to limit the sanctions for Major works brought forward exceptionally

and

and without the usual previous entry in the Budget, to projects which manifestly could not be postponed until the following year without serious detriment, and to require that funds on their account should be provided out of either the allotments for Budgetted Major works or Savings on the Minor New Works grant, it would not be advantageous to alter the arrangements made available for the Major works of the Budget, in order to provide money for incomplete works, as such alterations are very apt to interfere prejudicially with the proper

proper management of work, and by introducing an element of uncertainty as to the amount to be laid out on individual work within the year, to lead to short progress, with probably as a consequences increased cost. His Excellency considers that the more satisfactory arrangement would be to make direct provision for incomplete works under that head in the Annual Budget, upon the understanding that the sums so provided is to be deemed available for no other purpose, and that an order being passed on the list of incomplete works of any

any year, the saving if any, will be reported to the Government of India. It is of course very desirable that work intended to, should be completed within the year, but experience shows that, apart from any want of attention on the part of Executive Officers, this cannot always be secured. Variations in the season are an important and disturbing element, and of course, if allotments for "unforeseen works" be diverted from Budget works, the sums so with-drawn will in many cases have to be made good at the commencement

commencement of the following years under "incomplete works". It will therefore be proposed to the Government of India that the sums so kept as entered in part II of the Irrigation Budget of 1874-75 for Minor New Works (at the disposal of Government) should be altered to "Incomplete works of 1873-74."

2. When the letter of the 3rd November Civil No. 2684 was written, it was not clearly understood that the 10 per cent laid down as the limit of the lump sum provision for Minor New Works was to be calculated on the total amount of the Ordinary grant, and under the information now given the Government are of opinion that the rule may be accepted, and that it will make available as much money as it is likely can be profitably expended. It is desired that the Government of India assume 2½ lacs as the grant allowable for Minor New Works for the year under the rule, but it is not certain that it will even be practicable to make arrangements for spending profitably this much larger amount than was supposed to be available, and the Government of India will therefore be asked to increase the grant of Rupees

Rupees 73,550 entered in the Budget as submitted, to Rupees 150,000 for the current year, and the Chief Engineer for Irrigation will be directed to prepare proposals for distributing the difference, as the circumstances of the several Districts may render expedient, so that on the receipt of the reply of the Government of India no time may be lost. It will be desirable to keep at the disposal of Government a sum sufficient to provide for such works as may be beyond the powers of sanction of District Officers, but District Engineers will be in due course informed that estimates up to Rupees 2500 for such works should be submitted for sanction without delay, all in excess of that limit being either sent forward for sanction and Budget entry; or, for sufficient reason given, for immediate execution as unforeseen works. In preparing the Budget estimates for 1875-76, the Chief Engineer for Irrigation will take care that the provision for Minor New Works is made in accordance with the wishes of the Government of India, and that the total amount is divided between Capital and Revenue. It has already been laid down that Minor works costing under Rupees 5000 are, when these are additions to any of the works or projects for which Capital and

G. O. No. 2731 I. S. I. Nov. 73

and Revenue accounts
are kept, to be treated
as a charge against
Revenue, while all other
expenditure on account of
Minor Works will be
debited to Capital. The
rule is simple and there
will be no difficulty in
carrying it out. For 1875-76
District Engineers will
show what sums for
Minor New Works chargeable
to Revenue and Capital,
respectively, they will re-
quire, and for the former
it will of course be under-
stood that estimates
amounting to more than
Rupees 750 each must
be duly sanctioned by
Government before any
expenditure can be in-
curred. The lump sum
entries in their Budget
estimates

estimates for Minor New
Works chargeable to
Revenue should be ex-
plained by an append-
ed list of the works
they propose to under-
take, and such estimates
as require superior sanc-
tion should, as far
as possible, be sub-
mitted by the 31st
January, so that they
may be disposed of
before the time for
carrying them out
arrives.-

3 The Government ob-
serve that it is too late
to make use of the pro-
vision accorded, in para
7 of the letter from the
Government of India, to
increase the allotment
for Tools and Plant
under Irrigation Ordinary

to

to Rupees 50,000. The previous sanction was for Rupees 23,000, and this amount was increased afterwards by Rupees 1000.

For 1874-75 the Budget provision is Rupees 25,000 under Capital Ordinary and Rupees 30,000 under Revenue.

No. 1238 dated 29th July 1875

4 With regard to the establishment of the charges for establishments the Government are of opinion that the readiest way of meeting the wishes of the Government of India, and at the same time of debiting

debiting to Loan works their fair share of the cost of establishments employed in this supervision in common with other works, will be to substitute for the present system of considering for this purpose the Public Works Establishment of the Presidency as a whole, an arrangement whereby the cost of the establishments of each Executive Range will be divided among the works carried out in that Range, in proportion to the outlay upon each class or description of work. To the charge for Executive Establishments

establishments will be added a share of the District Establishments (Direction) and also a proportion of the charges for general Direction and account. It is understood that a proposal of this kind has been submitted by the Controller of Public Accounts to the Chief Engineer for Irrigation, and as this arrangement would appear to be feasible, and to be likely to give far more accurate results than the present system, it will, subject to the approval of the Government of India, be

introduced from the commencement of the current official year, and the Controller will also be instructed to prepare a statement showing what relief, if any, to the charges to Loan works, calculated on the principle hitherto adopted, will result.

5. Much as would be the benefit in the way of simplicity, which would arise from the ~~establishment~~ charges for establishments, being debited to Irrigation works by a fixed percentage, as suggested by the Government of India, it is thought that practically there are

are serious objections to the adoption of such a plan, for, were that percentage at any time to be materially exceeded in the charges to Local Funds, it would be difficult, and at the same time not right, to resist the demand for an addustment, and there would consequently be a danger of the percentage being fixed on in name. With the railway or works of different classes, on which the same establishments are indifferently employed, varying as they must do from year to year, the establishment charges distributable to each class must

must vary also, and a fixed percentage for one class would make the percentages chargeable to the other classes sometimes materially unequal.

6. It is observed that in the preparation of the Budget estimate, Part III, so far as the classification of the capital outlay could be prepared in time, the entries under B- cost of Land have been given in detail, and it is remarked that it appears to be necessary sometimes to use other sub-heads than those, viz: Main Canals and Branches, Branches, and Distributing channels, desired by the Government of India. Drainage, for instance, in some instances another new sub head, and the wishes of the Government of India will best be met by directing that proposed outlay on the purchase of land for Canals and distributing Channels respectively shall always be exhibited separately, as also that for any other distinct class of work, such as drainage.

7 Ordered that the following letter be sent.

1857 4/4/74

Copies

Public Works Department
Treasury
Chief Engineers

Except Bombay, Madras and Bengal

Copies despatched 5/6/74
Bill Posted

185 a/v

...f. of {1874} Madras.

PUBLIC WORKS.

...to C. Supt-for Irrigation.

Dated

Rcvd.

Encl.

...O. 21st May 1874. No. 1356 &

~~1357~~

Nos. 439-440.

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...issing orders on letter ...fr the Govt. of India ...cerning the procedure to ...llowed for provision ...realisn of funds ...ir Works suggest- ...consideration ~~of~~ ...arrangements for ...ting charges for ...establishments debitable ...Funds

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