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MADRAS RECORD OFFICE

Government of Madras

Public Works DEPARTMENT

G.O. No.	1927	Press
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*Proceedings of the Madras Government, Public Works Department,
17th July 1874.*

No. 337. Read the following Proceedings of the Government of India in the Public Works Department, (Account—General,) dated Fort William, 8th June 1874, Nos. 406—7 A—G. :—
Orders on the Madras Provincial Budget Estimates for 1873-74 and 1874-75, and Local Fund Budget Estimate for 1873-74.

Read the following papers :—

Letter from Secretary to Government of Madras, No. 1,121, dated 17th April 1873.
" " " " " 457, " 30th Sept. "
" " " " " 717, " 16th March 1874.

RESOLUTION.—The Madras Provincial Budget Estimate for 1873-74 has not yet been reviewed in consequence of the difficulty experienced in understanding how the figures have been arrived at. The estimate for 1874-75 has come to hand, and both estimates may now be dealt with.

2. In the calculations on which the Provincial Fund grants were based, the amount allowed* for Provincial Public Works to the Government of Madras was—

	RS.	RS.
Roads, etc.	12,38,800	
Civil Buildings	5,85,060	
Establishment	4,74,210	
Plant	36,480	
		23,34,550

But the Provincial Budget Estimate for 1873-74 amounts to ... 12,00,000
And that for 1874-75 to ... 10,50,000
Whereas in the General Budget Estimate rendered to the Financial Department, the amount provided as the grant for Public Works from Provincial Funds for 1874-75, is ... 23,99,660

3. The difference between the amount of the estimate for 1874-75 as rendered to this department, and that of the General Budget Estimate, has not been explained. But it is understood to be due to the practice that prevails in the Madras Presidency, of a lump sum grant being given to Local from Provincial Funds for repairs and construction of roads, and to this grant having been shown, as it properly should be, under Provincial Public Works, while it was not shown in the Public Works General Budget Estimate. The Government of India would be glad to receive an explanation of the precise cause of the difference.

4. To prevent any misconception as to the real grant from Provincial Funds for Public Works, the rules contained in Public Works Department Resolution Nos. 469—78 A—S, dated 23rd August 1873, required that all lump sum grants-in-aid from Provincial to Local Funds for Public Works should be shown as a portion of the outlay from the Fund from which the grant is given. This has not been done in the present case. The attention of the Government of Madras should be drawn to that Resolution, with a request that a revised Abstract Budget Estimate, Part I., may be submitted showing, in addition to the information now given, the amount of the lump sum grant-in-aid divided off in three lines under the head of Works, Repairs and Establishment. No details of any kind are needed, since they will be found in the Local Fund Budget Estimate.

N.R.

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17th July 1874.*

5. The absence of definite information respecting the amounts of grants-in-aid prevents any comprehensive abstract being made of the grants allotted to the various heads of service as compared with the amount granted before the introduction of the Provincial Fund arrangements. But it has to be noted that there seems to be a tendency to increase the grant for Civil Buildings. Thus, that for 1874-75 it is Rupees 7,81,500, while for 1870-71 it was only Rupees 5,85,060. To this point the attention of the Government of Madras should be drawn.

	RS.
• Works	4,39,265
Repairs	1,86,020
Police	80,000
Reserve	66,215
Minor Works	10,000
	<u>7,81,500</u>

6. For 1873-74 and 1874-75, the following is an abstract of the Budget Estimates rendered :—

From Provincial Funds.		1873-74.	1874-75.
		RS.	RS.
On New Works...	...	7,95,000	6,59,315
On Repairs ...	...	1,86,000	1,75,685
On Establishment	...	2,04,000	2,00,000
On Tools and Plant	...	15,000	15,000
Total...		<u>12,00,000</u>	<u>10,50,000</u>

7. From Port, Educational, and other Funds the estimated expenditure by Public Works Officers is as follows :—

		1873-74.	1874-75.
		RS.	RS.
On New Works ...	...	88,860	86,456
On Repairs ...	...	25,770	23,320
On Establishment	...	21,800	...
On Tools and Plant	...	1,200	...
Total...		<u>1,37,630</u>	<u>1,09,776</u>

In addition to these sums Rupees 21,650 is set down for expenditure during 1874-75, on converting the Royapettah Police Court into a residence for the Prince of Arcot.

8. The expenditure from Local Funds on Public Works during 1873-74 is estimated as follows :—

From Local Funds.	By Public Works Department.	By other agency.
	RS.	RS.
On New Works	13,99,530	63,230
On Repairs	17,38,290	1,81,710
	<u>31,37,820</u>	<u>2,44,940</u>
On Establishment	9,43,170	
On Tools and Plant	37,250	
Total...	<u>43,63,180</u>	

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9. The following is an abstract of the total estimated expenditure in Madras from Provincial and Local Funds during 1873-74 :—

	Provincial Funds.	Port, Educational, and other Funds.	Local Funds.	Total.
	RS.	RS.	RS.	RS.
New Works	7,95,000	88,860	14,62,760	23,46,620
Repairs	1,86,000	25,770	19,20,000	21,31,770
Establishment	2,04,000	21,800	9,43,170	11,68,970
Tools and Plant	15,000	1,200	37,250	53,450
Total...	<u>12,00,000</u>	<u>1,37,630</u>	<u>43,63,180</u>	<u>57,00,810</u>

10. A similar abstract for 1874-75 cannot be prepared till the Local Fund estimate for the year is received. The Government of India must beg of the Government of Madras to take such steps as will ensure its despatch at an early date.

11. In connection with these Budgets, the Government of India have had under consideration the manner in which the Establishment charges are apportioned between Imperial, Provincial, and Local Funds. The papers submitted by the Government of Madras with its Secretary's letter, No. 770, dated 18th March 1872, show that the calculation made to ascertain the debit to each fund is extremely complicated. The principle followed is that certain kinds of Establishments should be debited entirely to Imperial Funds; others to Irrigation Funds; others again to Local Funds; and the remainder apportioned off to the several Funds in proportion to the outlay incurred from each fund. All this gives immense trouble in accounts. Now the figures for 1874-75 show that each fund has to bear the following charges for Establishment :—

	RS.
Extraordinary, Irrigation	1,75,000
Ordinary " " " " " " " "	4,03,000
Conservancy " " " " " " " "	97,000
Buildings and Roads " " " " " " " "	1,58,000
	<u>8,33,000</u>
Provincial and Local Funds	<u>13,20,000</u>
Total...	<u>21,53,000</u>

12. From this it is clear that by far the larger portion of the Establishment is for Provincial and Local Funds, and consequently the Governor-General in Council considers that the same arrangement as is followed with other Governments may be made in Madras, viz., that the whole Establishment should (in regard to accounts) be considered Provincial, and that Imperial Funds should pay a fixed percentage for Establishment charges. Judging from the Budget figures for 1874-75 the percentage that seems to be suitable is, about 25 per cent. in the case of Ordinary Works, and a trifle more for Extraordinary Works, by reason of the survey charges. But a grant of 25 per cent. on

	Works, etc. RS.	Establishment. RS.	Percentage.
Buildings and Roads ...	6,40,400	1,58,000	24.9
Irrigation, Ordinary ...	16,81,000	4,03,000	24
" " Extraordinary.	4,95,000	1,75,000	35
	<u>28,16,400</u>	<u>7,36,000</u>	

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the outlay on Works and Repairs for all kinds of works executed from Imperial Funds, whether Buildings and Roads, Irrigation, Ordinary or Extraordinary, would seem sufficient, Imperial Funds meeting in addition the charge for Conservancy Establishment, and that of the Chief Engineer of Irrigation. By this arrangement the accounts would be considerably simplified, but the Government of Madras would have to arrange for the balance of the charges for Establishment being met from Local and Provincial Funds. As regards Local Funds, a similar arrangement to that proposed for Imperial Funds would seem suitable, the residue of the charge being thrown on Provincial.

13. It is, however, necessary to add that the impracticability of showing the charges for Establishment for Irrigation Works distinct from that for other Public Works will, in case the arrangement is agreed to, render it necessary that the provision to be made in the estimates for Capital outlay for Establishment should be calculated at the rate of 25 per cent. on the outlay on Works. In the case of survey charges, that rate would ordinarily be held to cover the cost; but in special cases, where survey charges are incurred for purely Irrigation Works, and it is possible to keep such charges quite distinct both in estimates and accounts, so as to bring out the cost for each project, the Government of India would consider the propriety of allowing such charges to be met entirely from Imperial Funds in addition to the 25 per cent.

14. As illustrating these proposals, the following extract from a letter written on the subject to the Government of Bombay is quoted:—

Extract paragraphs 2 and 3 of a letter from the Government of India, Public Works Department, to the Secretary to the Government of Bombay in the Public Works Department, No. 366 A—G, dated 20th May 1874.

2. In order, however, to avoid any undue charge being thrown on Provincial Funds for Establishment in consequence of failure to work up to the Imperial grant, I am to say that, although the actual outlay on Imperial Works and Repairs may be less than the allotment, it is intended that no portion of the original allotment for Imperial Establishment shall, unless concurred in by the Bombay Government, be charged against the grant for Provincial Establishment.

3. Thus if the grant for Imperial Works and Repairs be	Rs.
and for Establishment (at 23 per cent.)	23,00,000
and if, in the course of the year, it should be found that actual	5,29,000
outlay on Works and Repairs instead of being	23,00,000
would be	20,00,000

still no portion of the charge of Rupees 5,29,000 for Establishment would necessarily be reduced by transfer to Provincial Establishment, unless the Bombay Government acquiesced in the transfer. If not reduced in some other way, the actual charge for Imperial establishment in the accounts of the year would still be Rupees 5,29,000.

4. On the other hand, if the actual charge for Works and Repairs	Rs.
was	24,00,000
The charge for Establishment debited to Imperial Funds would be	
calculated on 23 per cent. of this sum, or	5,52,000

5. By this arrangement the Government of Bombay would be certain of receiving from Imperial Funds for Establishment charges its fair amount with a minimum limit of the exact

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amount budgetted for, and all derangements of the Provincial Fund grant to which reference is made in your letter under acknowledgment would thereby be avoided.

15. The Government of India would be glad to receive from the Government of Madras an expression of its opinion on the proposals made.

ORDER.—Ordered that this Resolution be communicated to the Government of Madras for information and guidance, and to the Financial Department for information.

(Signed) C. H. DICKENS, Colonel, R.A.,
Secretary to the Government of India.

No. 338. ORDER THEREON, 17th July 1874, No. 1,927.

ACCOUNT, No. 16.

COMMUNICATED in the first instance to the Financial Department for consideration of the questions raised by the system pursued of showing lump sum grants-in-aid of Local Funds in the General Provincial Budget Estimate only, and the manner in which the Establishment charges are apportioned between Imperial, Provincial, and Local Funds.

2. In order to comply with the instructions of the Government of India as to the exhibition, in the Provincial Budget Estimate of the Public Works Department, of grants-in-aid to Local Funds, it will be necessary to arrange for making assignments on this account in time to admit of their incorporation in the Public Works Budget, which is due at Calcutta on the 15th February in each year. The information required for the preparation of the revised abstract called for in paragraph 4 has not yet been received from the Financial Department in a complete form, orders not having been passed on all the Circle Budget Estimates for 1874-75.

(True Extract.)
(Signed) G. W. WALKER, Colonel, R.E.,
Secretary to Government.

To the Financial Department.
" Officiating Controller of Public Works Accounts.

Public Works Department
Proceedings of the Indian Government
Read the following
From
The Govt of India (L.B. 406-7-A-G
76 June 1874)

The Govt of India (Lb 406-7-2-9)
76 June 1874)

Communicated in the first instance to the Financial Department for consideration of the questions raised by the Govt of India in respect to the system proposed of showing lump sum grants in aid of Local Funds in the General Provincial Budget Estimate only, and the manner

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To the Financial Secy
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S. Copies despatched 22/7/75

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