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MADRAS RECORD OFFICE

Government of Madras

Public Works DEPARTMENT

G.O. No.	3062	Press
~~B.P. No.~~		Mis.
Dated	28. 10	1875
		495

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*Proceedings of the Madras Government, Public Works Department,
23th October 1875.*

No. 486 Read the following Proceedings of the Government of India in the Public Works Department (Account—Irrigation), dated Simla, 27th September 1875, Nos 316-31 A—I —

Apportionment of Charges for Irrigation Establishments between Capital and Revenue.

Read again—

Public Works Department Resolution, No 227-33 A—I, dated 23rd July 1874

Read also the following —

Letter from Secretary to Government of Madras, No 3,371A, dated 1st Dec 1874

" " " of Bombay, " $\frac{27 \text{ A I}}{70}$, " 15th Feb. 1875

" " " of Bengal, " 983 I A, " 16th Dec 1874

" " " of Punjab, " 4,040 A I, dated 2nd Oct "

" " " Chief Commissioner of Mysore, No $\frac{477 \text{ A I}}{2,446}$, dated 2nd September 1874

" " " Governor-General's Agent, Rajpootana, No 2,475 S, dated 29th Aug 1874

UNDER the present rule as contained in Chapter XVI, Section II, paragraph 2, Clause II, of the Code, the charges for Construction Establishment for Capital works executed in Maintenance Divisions of Irrigation works are limited to 10 per cent of the outlay on works. The propriety of this rule having been questioned, the several Governments and Administrations were consulted on the desirability of changing it. Their replies have been received and may now be brought under review.

2 The reasons which induced the Government of India to fix originally upon the 10 per cent charge as suitable for the debit to Capital on account of Establishments in mixed divisions, were based upon the remarks contained in paragraph 116 of Colonel (now Lieutenant-General) Strachey's report on Irrigation Finance and Management, which were as follow —

"The only other point calling for attention in connection with the Capital Accounts is the system of charging for the cost of supervision when new works are executed by the regular fixed establishments employed on canals in operation. Of course, where new works are wholly carried out by special establishments, the entire cost of these will be a charge against the works. In the other cases it seems likely to be the best plan to charge a fixed percentage on the outlay on works debitable to Capital as the cost of establishment for the supervision of such works, and to deduct this from the total charge for the establishments for working and maintenance. I think 10 per cent will in future be sufficient, and near enough to a fair average rate, and will be a convenient rate for calculation. In the North-Western Provinces and Punjab from 10 to 12 per cent has been commonly taken. Where the accounts have already been drawn out, making a reasonable allowance of this sort, it will not be worthwhile to disturb them as regards the past, but for the future, and in cases where no account has yet been taken, I think 10 per cent may be adopted."

3 For this 10 per cent rate, the Government North-Western Provinces wish to substitute a 20 per cent rate, because that would really represent with reasonable closeness, the total cost of establishments in the Irrigation Branch, Ordinary and Extraordinary, for a certain number of years.

4 The same Government also propose that, in calculating the charges for establishment on account of Direction and Control, a fixed rate of 5 per cent should be used instead of the present method.

5 The Government of Madras have made no proposal on the subject, as they have no distinct establishment for Irrigation works. But, in connection with the general question of the adjustment of establishment charges between Imperial and other funds, the Government of Madras agree to the proposal that the whole establishment should be considered Provincial, and that Imperial Funds should pay 25 per cent. for establishment. Consequently, it follows,—and this was so stated in the correspondence on the subject,—that Capital should be debited with 25 per cent for establishment, together with a proportion of the charges for the Chief Engineer for Irrigation and his office establishment, Revenue also paying the same percentage, besides bearing the cost of the conservancy establishment and a proportion of the charges for the Chief Engineer for Irrigation. It is understood that in Madras all the divisions and consequently all the establishments are what is technically called *mixed*, i.e., for mixed classes of works.

6 In Bombay, unlike Madras, there is a separate Irrigation establishment in the province. The result of the correspondence that has taken place on the subject is that the charges to Capital should be apportioned as follows —

For works costing under 2 lakhs, 25 per cent

For works costing over 2 lakhs, 20 per cent

The large number of small works in Bombay renders this proposal very suitable.

7 In Bengal, leaving out the purely revenue establishments,* the proposal is that as twenty-three per cent has been found by the Controller to be the average cost of establishment in Bengal, that is the percentage on its outlay which should be

* They are left out of consideration, because there is no question about their being debited entirely to Revenue

charged to each of the three classes,—Capital, Revenue, and Ordinary Agricultural works, except to that class in which the largest outlay occurs which should instead be debited with the balance of the whole charge for establishment.

8. The objection to this is that it is an admitted fact, that the establishment for the maintenance of canals and embankments forms about 35 per cent of the outlay on maintenance, this reason having been more than once assigned for the high cost of some of the maintenance divisions in Bengal. It is, therefore, considered that in the case of Capital, the charge should be always limited to 23 per cent, and that the balance of the charges should be debited to Revenue or to Ordinary Agricultural works, according to the principle of the plan proposed.

9. From the Punjab, statements have been sent up showing that the present rate of 10 per cent. for establishment in mixed divisions debitable to Capital is wholly inadequate, and that the proper rates to charge are 20 per cent for Construction, and 5 per cent for Direction and Account.

10 But the Officiating Chief Engineer, Colonel O'Connell, in a separate note advocates for the Punjab the proposals of the Government North-Western Provinces, with this modification that the charge to Revenue Receipts should not exceed 25 per cent, and that any excess beyond that limit should be ratably distributed over the four heads of Capital Extraordinary, Capital Ordinary, Revenue, and Ordinary Agricultural outlay.

11 The Officiating Chief Engineer bases this conclusion on the two following considerations —

I —That Revenue receipts vary with the seasons without causing anything like a similar variation in the cost of establishment required for their collection

II —And that the calculations show that the charges against "Revenue receipts" for establishment should be only 20 3 per cent in the case of the North-Western Provinces

12 In the revision suggested by the Officiating Chief Engineer, a new distinction, that of revenue receipts, has been created. Nowhere else in the discussions on the subject have more than four heads been proposed, viz —

I —Capital Extraordinary.

II — Do Ordinary

III —Revenue, which includes—

(A) Charges

(B) Receipts

IV —Ordinary Agricultural outlay

13 But by the proposals made by the Officiating Chief Engineer (B) Receipts would be made another head for the purpose of adjusting establishment charges, and the trouble would be entailed of finding out how much of the charge to that head is in excess of 25 per cent, so as to admit of the excess being ratably distributed.

14 Under the arrangements in force in this province, in no mixed division of the Irrigation Branch is there any Capital work, save exceptional and trifling cases. Hence in such divisions the establishments are really kept up for the maintenance of the canals in operation and their revenue receipts. If, however, a division executes any Capital work in addition, the question at issue would appear to be—not how should the charges be debited to each head of the account, but—how much of the charge need be apportioned to Capital.

15 The calculations made in the North-Western Provinces and the Punjab show that the establishment charges of a canal consist of—

I —Establishment for all purposes of work and revenue

II —Establishment for purely work purposes.

III —Purely Revenue establishment

I and II are shown to amount to 20* per cent of outlay on work and revenue; and thus therefore is the rate which it would seem reasonable to debit to Capital, leaving Revenue to bear the remainder of the charge.

But as regards III, no object is gained by restricting the Revenue receipt charge for establishment to 25 per cent. If it were so restricted, the balance of the charge would have to go to Revenue expenditure, for it could scarcely be held that Capital being already charged with its proper share should in addition bear a proportion of the balance.

16 On the whole, the original proposal to debit Capital with 25 per cent seems the most suitable one to adopt. Capital being debited with 25 per cent, the rest would be debited to Revenue.

*Proceedings of the Madras Government, Public Works Department,
28th October 1875.*

17 In Rajpootana, the arrangements already ordered require that 25 per cent. should be debited to Capital

18 In Mysore, the distinction between Ordinary and Extraordinary having been abolished, the Chief Commissioner says that the proposal does not apply But the distinction between Capital and Revenue still remains, so that the charges for establishment will have to be apportioned between the two heads Probably what is settled for Madras will answer for Mysore

19 On the whole, the Government of India consider that the following rules will meet all the necessities of the case —

I.—All charges for Establishment arising in Executive Divisions in which only Capital works are in progress, and all charges for Superintending Engineers and their offices employed wholly in superintending Capital works, will be debited monthly to Capital If the Capital works are being executed from the Extraordinary grant, that grant will be debited with the charge; but if they are being executed partly from the Extraordinary and partly from the Ordinary grant, the charge will be apportioned monthly between the two grants in proportion to the outlay from each, or in accordance with Rule II, the division being classed under Ordinary or Extraordinary according to the outlay in it

II.—In divisions where both Capital and Revenue works are in progress, the

Madras—
20 per cent
Bombay—
20 per cent for works estimated to cost under two lakhs, and 15 per cent for works estimated to cost over two lakhs

Bengal—
18 per cent
North Western Provinces—
20 per cent
Punjab—
20 per cent
Rajpootana—
20 per cent

charge noted in the margin on the actual expenditure on Capital works will be made month by month for Construction Es-

tablishment, the balance of the charge for Establishment being debited monthly to Revenue

III.—In the case of mixed divisions primarily kept up for maintenance purposes, in which Capital, Revenue, and Ordinary Agricultural works are all in progress, the debit for Establishment to the first and third of these heads will be in accordance with the preceding rules, the balance of the charge going to Revenue

IV.—The establishments kept up for collection and police for navigation and other revenue purposes will be debited entirely to Revenue

V.—In the case of a mixed division in which the outlay on Capital works is so large that it may be fairly considered that the division is kept up primarily for Capital works, the charge to Revenue for establishment will be at the percentage rate mentioned in Rules II and III, the balance of the charge being debited to Capital

But before this rule is adopted the sanction of the Local Government be specially obtained and placed distinctly on record, with the reasons for it This rule is also to be applied in the case of a division in which the bulk of the outlay is on Ordinary Agricultural works for which no Capital or Revenue account is kept

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VI—For Direction and Account, the charge to Capital (whether Ordinary or Extraordinary) and for Ordinary Agricultural Works for which no Capital or Revenue Account is kept, will be 5 per cent on the outlay incurred In Madras, the proportion of the charges for the Chief Engineer for Irrigation will be additional to this If in any case there is a Special Superintending Engineer for any one work, whose whole salary is charged to the Capital Account of that work, the amount so charged should be deducted from the amount arrived at by the 5 per cent charge, and the balance only charged to the Capital Account for proportion of charges for Chief Engineer and Office of Account

VII—Charges for Survey Establishment will be debited to the Capital outlay of the work on which the establishment is employed But no portion of the charge for Survey Establishment can be debited to the Extraordinary Grant without the sanction of the Government of India previously obtained

VIII—The calculation of the charge for Establishment on the percentage rate will be based on the outlay on works and repairs only.

IX—The percentages fixed are liable to alteration as experience may show to be necessary.

ORDER—Ordered, that this Resolution be communicated to the several Govern-

The Governments of Madras, Bombay, Bengal, North Western Provinces, and the Punjab, in the Public Works Department, Irrigation Branch
The Chief Commissioners of Oudh, Central Provinces, British Burmah, Mysore and Coorg, and Assam
The Resident, Hyderabad
The Agents of the Governor-General for Central India and Rajpootana

ments and Administrations marginally noted for information and guidance.

Ordered also, that a copy be forwarded to the Financial Department and the Director of State Railways for information

Ordered further, that a copy be forwarded to the Accountant-General, Public Works Department, for such further action as may be necessary.

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

No. 487. ORDER THEREON, 28th October 1875, No. 3,062.

IRRIGATION, No. 46.
Account.

COMMUNICATED to the Controller of Public Works Accounts and to the Financial Department in continuation of G O, No 3,371, dated 1st December 1874 The general financial effect of the rules laid down by the Government of India will be considered in the Financial Department, and the Controller will report their bearing on departmental arrangements.

(True Extract)

Major-General, R E,
Secretary to Government.
To the Controller of Public Works Accounts.
„ Chief Engineer for Irrigation
„ Financial Department.
Exd E C Shunker
Spare Copies

Proceedings of the Madras
Govt.

Under date the 28th Oct. 1875

Read the following

Letter from the Govt.
of India

(H. E. N^o 316-31 A. dated
Simla. Sept 27/75)
Communicated to the Con-
troller of P. W. Accounts,
and to the Financial
Department in continuation
of G. O. N^o 3371 of
1st Dec^r 1874. The general
financial effect of the
rules laid down by
the Govt. of India
will be considered in
the Financial Depart-
ment, and the Controller
will report their bearing
on departmental ar-
rangements.

34/2

Controller of P. W. Accounts
Ch. Eng. for Irrigation
Financial Depart.

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Roll of 1875
PUBLIC WORKS.

To Court Plw Accts.

Lot 3

Lot 4

Lot 5

Lot 6

C. O. 28 Oct 1875. No. 3062

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Appropriation of charges for
Irrigation establishments be-
town Capital & Revenue

Letter from the Govt of India
regarding the — Commis-
— sent to the Controller & H.
Accounts and to the Finance

Dept. —