

Gobt. of 1882 Madras.
FINANCIAL.

No 2957 W of 9th Nov

Recorded

2

2.11.82

Issued

Recd.

Encl.

G.O., 21st October 1882, No. 1535.

3

OCTOBER.

Accounts.

Recording Resolution of the Government of India laying down rule for the division of a charge between the Imperial and Provincial Governments.

20th
9/11/82

Encl 10 W of 9th Nov

with order
2957 W of 9th Nov 82

with order
Entd. in Receipt Regr.

and partly Provincial, shall be borne accordingly either wholly by Imperial, or wholly by Provincial, or by Imperial and Provincial in the proper proportion, without reference to its effect on revenue. In other words, the question of the incidence of any charge on Provincial or Imperial revenue must in case of dispute or doubt be determined solely with reference to the head in the accounts under which such charge should properly be classified.

4. It is not, of course, intended by this rule to exclude the possibility of special arrangements being made in particular cases by mutual consent for the division of any particular item of expenditure between the Imperial and any Provincial Government in a proportion other than that fixed by the Provincial contract.

The present application from the Government of Bengal is sanctioned.

Order—

Ordered that this Resolution be distributed for information and guidance as follows :—

- * Original papers received from Public Works Department returned. 1. To the several Departments* of the Government of India.
- 2. To the several Local Governments and Administrations.
- 3. To the Comptroller-General and to the several Accountants-General and Comptrollers.

(Signed) R. LOGAN,
Offg. Under Secy. to the Govt. of India.

ORDER—dated 21st October 1882, No. 1535, Financial.

Recorded.

(True Extract.)

Edmund Selous

for Chief Secretary.

To the Departments of the Secretariat.

Exd. J. Wright.

21st OCTOBER 1882, No. 1535, FINANCIAL.

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

READ—the following paper :—

Proceedings of the Government of India, Department of Finance and Commerce, dated Simla, 5th October 1882, No. 4150.

Accounts and Finance.

Read—again—

Resolution in this Department, No. 1709, dated the 22nd March 1877, laying down the rules and conditions under which Local Governments are to administer the revenues and services surrendered to their use and management.

Resolution in this Department, No. 3353, dated the 30th September 1881, promulgating the revised scheme for the provincialisation of the finances and the development of local self-government.

Read—

A letter from the Government of Bengal to the Government of India in the Public Works Department, No. 1453 L., dated the 27th July 1882, submitting an estimate, amounting to Rs. 1,29,491, for draining the Bullee Bheel in the district of the 24 Pergunnahs, and requesting sanction to meet this outlay, by a reappropriation of the existing ordinary Imperial grant for the current year.

Resolution—

Under existing arrangements, a certain percentage of Land Revenue has been assigned by the Government of India to each Local Government for the purpose of meeting the excess of provincialised expenditure over provincialised receipts. The scheme submitted by the Government of Bengal for the drainage of the Bullee Bheel would, it is stated, result in an increase of Land Revenue, in which increase the Local Government would share. The question has therefore been raised, whether the cost of the work should not be borne by the Imperial and Provincial Governments, in the same proportion in which the land revenue receipts are now divided between them.

2. The principle which regulated the division of revenue and expenditure between Provincial and Imperial under the contracts with Local Governments which have lately expired or been revised was, that all expenditure and revenue falling under certain heads in the accounts should be Provincial, and that all expenditure and revenue falling under certain other heads in the accounts should be Imperial. There was no provision under which expenditure could be divided between Provincial and Imperial in the proportion in which Imperial and Provincial revenues were supposed to benefit from the expenditure.

3. The same principle holds good under the existing contract which are based on the understanding that all revenue and expenditure which falls under certain heads in the accounts shall be either wholly Provincial or wholly Imperial, or shall be divided between Provincial and Imperial in definite and ascertained proportions. In order to avoid any misunderstanding in this matter, the Governor-General in Council is therefore pleased to re-affirm the rule that expenditure coming under a head which is either wholly Imperial or wholly Provincial, or in fixed proportions partly Imperial