

and particularly to
the reductions made
at the time of the
Affghan War are now
most urgent.

Initialled JWS

No. 104 D dated
31st Jan'y 1882

The Chief Secretary
to Government

With reference to
para 2 of Govt of India
Circular No. IV dated
23rd January 1882 (Copy
herewith please state
whether the Financial
Deptt are prepared to
assign to the Public
Works Deptt. any portion
of the Refund of 4
Lakhs; and, if so, the
amount on this
information being
furnished the requisite
advice will be sent
to the Govt of India
and a programme of
works drawn up. It
is needless to say that
owing to circumstances
unnecessary here to
enter into but suffi-
ciently recognized
by Govt the demands
of this Deptt under
every head of Provincial
Service have owing to
the reduced assign-
ments of late years
are

with be sent to the Govt
of India, and a pro-
gramme of works
drawn up. It is
needless to say that
owing to circumstances
unnecessary here to
enter into but sufficiently
recognized by Govt
the demands of this
Department under
every head of Provincial
Service have owing
to the reduced assign-
ments of late years
and particularly to
the reduction made at
the time of the Afghan
War are now most
urgent

Att

31/1/82

GOVT. } 1882. { P. W.
OF MADRAS. } { DEPT.
SECRETARY.

Chepauk, 31st Janry 1882.

OFFICE NOTE.

No 104 D

To The Chief Secretary
to Government.

With reference to
para 2 of Govt of India
Circular No 11 dated
23. Janry. 82. (Copy
herewith) please state
whether the Financial
Dept are prepared
to assign to the
Public Works Dept.
any portion of the
Refunds of 4 lakhs;
and if so, the amount.
On this information
being furnished the
respective address

See by no means sure
that the 4 lakhs referred
may be needed to
adjust Govt deficit.

* The 4 lakhs refunded
to this Govt., and
Rs. 2 lakhs added by
the G. of I. to the
ordinary P.W.
grant.

Chief Secy

To the Secretary to
Govt. P.W.D.

This Dept. is unable
to give the information
sought for. The
G. of I. have intimated
their intention to
raise the percentage
of Land Revenue
to be allowed to
this Govt., and until
it is known what
the raised percentage
is, it cannot be
stated to what
extent the P.W. grant
can be increased.

It is ^{possible} probable that
in all an addition
of 10 lakhs may
be ^{practically} made, but not
certain. Seeing that
the Road Scheme was
not

"determined" in the Res^o
of the 17th January,
No. 318, which was
of a general character,
the demand made in
the Circular No. IV was
clearly premature.

H 128

H.P.
1/2/82

GOVERNMENT OF MADRAS.
FINANCIAL DEPARTMENT.

25th January 1882, No. 158.

Decentralisation Scheme.

Read the following paper:—

Proceedings of the Government of India in the Department of Finance and Commerce (Accounts and Finance), dated Calcutta, 17th January 1882, No. 318 [Current No. 174].

Read—

Resolution No. 3353, dated 30th September 1881.
" No. 4070, " 9th November "

Read also the following communications:—

To the several Local Governments and Administrations, Nos. 3513—19, dated 10th October, and No. 3589, dated 13th October 1881.
From the Government of Bombay, Nos. 3776 and 4161, dated 12th October and 8th November 1881.
From the Government of Bengal, No. 80 T., dated 27th October 1881.
From the Government of North-Western Provinces and Oudh, Nos. 1666 and 1929, dated 3rd November and 13th December 1881.
From the Government of Punjab, No. 3456, dated 5th November 1881.
From the Chief Commissioner of Assam, Nos. 64 T. and 3603, dated 30th November and 29th December 1881.
From the Chief Commissioner, British Burma, Nos. 564-76 A. and 323-76 A., dated 26th October and 16th November 1881.
From the Chief Commissioner, Central Provinces, No. 4186—208, dated 14th November 1881.
From the Government of Madras, No. 36, dated 9th January 1882.

RESOLUTION.—His Excellency the Governor-General in Council observes with satisfaction that the Local Governments and Administrations, without exception, cordially accept the scheme for the extension of the system of Provincial finance and local self-Government put forth in the Resolution of the 30th September last.

2. With reference to paragraph 9 of that Resolution, His Excellency in Council is glad now to be able to announce definitively that the contributions made to the Imperial by the Provincial Governments in the years 1879-80 and 1880-81 will be restored to them. The Comptroller-General will place the amounts specified in the margin to the credit of the several Provincial Governments before the 31st March next. These amounts will, it is understood, be applied to Productive Public Works in all cases where the whole, or a portion, may not be indispensable in

	Lakhs.
Bengal	20
North-Western Provinces and Oudh	15
Bombay	8
Punjab	6
British Burma	6
Central Provinces	5
Madras	4
Assam	3
Total	67

order to raise the Provincial working balance to a proper level.

3. In the course of the correspondence which has taken place, various questions have been asked by one Government or another, to which it may be convenient to give replies for the information of all.

Handwritten notes on the left page:
1/2/82
In Council
2000
Special

4. With reference to paragraph 12 of the Resolution of 30th September, it may be explained that the figures contained in the statement were merely illustrative of the scheme as contained in the schedule, and intended to facilitate a comprehension of it by showing, as stated in the paragraph, what would be its actual operation if applied to the estimates of 1881-82. Final calculations of this nature, however, should always be based on the latest and most accurate estimate obtainable at the time of settlement; otherwise the Imperial or the Local Government, as the case might be, would be deprived of any advantage which the recent information might afford. It is intended to take the regular estimate of the current year as the basis for final settlement, which will be effected after careful consideration of the circumstances of each Province.

5. The allusion in the latter portion of the same paragraph to the possibility of modification being required in the schedule and statement had reference merely to the indication of transfers and exchanges made between Provincial and Local heads and of the amounts or items retained in the former, which alone constitute the resources of the Provincial Government available for general purposes. The administrative and financial arrangements thus made in pursuance of the policy of "de-provincialisation" will not, however, affect the assignment to be made from Imperial revenue.

6. The settlements now about to be effected will in all cases be for a term of five years commencing from the 1st April next. It is to be distinctly understood that the Imperial Government reserves to itself on the expiration of the term the power to revise the settlements, and to withdraw from any Local Government such portion of its grant as cannot then be continued without injustice to other Provinces whose means are straitened, or limitation of Imperial undertakings which need early development. To the Local Governments such revision will afford no cause of complaint, because the inducements now offered for entering into an agreement are the freedom to administer their own resources, and to apply at will (subject to the general standing orders) any increase reaped during the term of settlement alone. On the other hand, while the Local Governments will undertake, for the term of the settlement, all ordinary fluctuations in their revenues and expenditure, and to make such increases in the latter as may be necessary on the existing basis of administration, due allowance will be made, by modification of the fixed percentage of Land revenue or otherwise, for any material alterations in the nature of their income, resulting from legislation or organic change of financial system effected for Imperial reasons.

7. In explanation of paragraph 20 of the Resolution, it may be added that the intention is to allow the Local Governments the same rights over divided revenues, and the same power to sanction new expenditure under divided heads, as they now possess in the case of the heads exclusively Provincial. It is not, however, in contemplation to disturb the existing powers of the Provincial Governments in respect of the Land revenue, or their relations with special departments having a distinct organisation such, for instance, as the Forest Department in Provinces other than Madras and Bombay.

8. The new terms on the subject of famine relief, contained in the Resolution, supersede any obligations which may have been imposed upon the Governments of the North-Western Provinces and Oudh; the Punjab, and the Central Provinces of setting aside such amount as the Governor-General in Council may direct for the purpose of increasing the revenues available for defraying expenditure incurred or to be incurred for the relief and prevention of famine in their respective territories. Any amounts hitherto so set aside will hereafter be at the disposal of the Local Governments for ordinary Provincial expenditure. Moreover, as a consequence of the new principles laid down in the Resolution of 30th September last, and of the separate provision in the Imperial Budget of a permanent annual allotment of one crore and a half of rupees for "Famine Relief and Insurance," the Local Governments, while always needing a moderate reserve, over and above the mere "working balance," of sufficient amount to meet scarcity and distress not indisputably amounting to severe famine, or other temporary exigencies, will no longer find it necessary to accumulate a great Provincial

reserve fund, out of which the demands of severe famine could in future be largely met. His Excellency in Council is of opinion that, subject to the moderate reserve just referred to, the Provincial resources can be best utilised by being invested to the full, from year to year, in works of a productive or protective character.

9. The arrangements with the several Local Governments have now so far advanced that there will be no difficulty in applying the new scheme in all cases from the commencement of 1882-83. The separate communications, now in course of issue to each Local Government, will, it is believed, enable it promptly to communicate to the Local Accountant-General or Controller any modifications which, in consequence of the settlement arrived at, it may desire to make in its budget proposals for Provincial expenditure. On receipt of these by the Comptroller-General, the Budget, which will have been already sent in on the 20th instant, will be recast to meet the altered circumstances, the exact percentage of Land revenue assignment will be calculated, and a copy will be sent to the Local Government in time, when possible, to allow of special corrections being made by telegraph.

10. Regarding the measures to be adopted for extending local self-Government, detailed proposals have as yet been received from one Government only. His Excellency in Council trusts that the matter may receive as early disposal as its comprehensive nature will allow, and that, in any case, transfers and exchanges of revenues or charges will be arranged in time to come into effect with the new financial year.

Ordered, that this Resolution be communicated to the Home, Foreign, Military, and Public Works Departments, as also to the Comptroller-General and Accountants-General, and the several Local Governments, and that it be published in the *Gazette of India*.

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

ORDER THEREON, 25th January 1882, No. 158.

Recorded.

(True Extract.)

R. Logan
Chief Secretary.

To the Board of Revenue.

„ Departments of Government. (per Dep't)

Exd. T. O'Connor.

P. W. C. No 620
with C No 576.

Govt. of (1882) Madras.
FINANCIAL.

To
THE BOARD OF REVENUE,
&c., &c., &c.

Dated January, 25th.

Issued

Recd. 31 Jan. Encl.

G.O., 25th January 1882, No. 158.

JANUARY.

Decentralisation Scheme.—Resolution of Government of India regarding extension of the system of Provincial Finance and self Local Government, recorded.

[For Heads of Departments only.]

Circular No. IV Public Works.

GOVERNMENT OF INDIA.
PUBLIC WORKS DEPARTMENT.

ACCOUNT.
General.

Fort William, January 23, 1882.

The following is forwarded to the Local Governments and Administrations and Officers noted in the margin.

The Governments of Madras, Bombay, Bengal, the North Western Provinces and Oudh, and the Punjab, in the Public Works Department.
The Chief Commissioners, Central Provinces, British Burma and Assam.
The Resident at Hyderabad.
The Resident at Mysore (through Foreign Department).
The Agents to the Governor General for Central India, Rajputana, and Biluchistan.
The Superintendent of Port Blair and Chief Commissioner, Andaman and Nicobar Islands.
The Director General of Telegraphs.
The Inspector General of Military Works.
The Accountant General, Public Works Department.
The Director General of Railways.
The Director-in-Chief, Indo-European Telegraph.
The Director, Persian Telegraph.
The Deputy Director, Persian Gulf Telegraph.
The Consulting Engineers to the Government of India for Guaranteed Railways, Calcutta, Lahore, and Lucknow.

2. With reference to paras. 2 and 9 of the Resolution, I am directed to request that immediate measures may be taken to inform the Government of India by telegraph of the alterations that should be made in the Budget-Estimates for the year 1882-83, in consequence of the introduction of the revised Provincialized scheme as set forth in Finance Department Resolution No. 3353, dated 30th September 1881, and as determined in the Resolution now circulated.

Alauddin Major-General, R. E.,
Secretary to the Govt. of India.

No. 318, dated 17th January 1882.

RESOLUTION,—By the Government of India, Department of Finance and Commerce.

Read—

Resolution No. 3353, dated 30th September 1881.
" No. 4070, " 9th November 1881.

Read also the following communications:—

To the several Local Governments and Administrations, Nos. 3513—19, dated 10th October, and No. 3589, dated 13th October 1881.
From the Government of Bombay, Nos. 3776 and 4161, dated 12th October and 8th November 1881.
From the Government of Bengal, No. 80T, dated 27th October 1881.
From the Government of North Western Provinces and Oudh, Nos. 1666 and 1929, dated 3rd November and 13th December 1881.
From the Government of Punjab, No. 3456, dated 5th November 1881.
From the Chief Commissioner of Assam, Nos. 64T and 3603, dated 30th November and 29th December 1881.
From the Chief Commissioner, British Burmah, Nos. 564-76 A. and 323-76 A., dated 26th October and 16th November 1881.
From the Chief Commissioner, Central Provinces, No. 318, dated 14th November 1881.
From the Government of Madras, No. 36, dated 9th January 1882.

RESOLUTION.—His Excellency the Governor General in Council observes with satisfaction that the Local Governments and Administrations, without exception, cordially accept the scheme for the extension of the system of Provincial finance and local self-Government put forth in the Resolution of the 30th September last.

not in receipt kept

2. With reference to para. 9 of that Resolution, His Excellency in Council is glad now to be able to announce definitively that the contributions made to the Imperial by the Provincial Governments in the years 1879-80 and 1880-81 will be restored to them. The Comptroller General will place the amounts specified in the margin to the credit of the several Provincial Governments before the 31st March next. These amounts will, it is understood, be applied to Productive Public Works in all cases where the whole, or a portion, may not be indispensable in order to raise the Provincial working balance to a proper level.

	Lakhs.
Bengal	20
North Western Provinces and Oudh	15
Bombay	8
Punjab	8
British Burma	6
Central Provinces	6
Madras	5
Assam	4
	3
Total	67

3. In the course of the correspondence which has taken place, various questions have been asked by one Government or another, to which it may be convenient to give replies for the information of all.

4. With reference to para. 12 of the Resolution of 30th September, it may be explained that the figures contained in the statement were merely illustrative of the scheme as contained in the schedule, and intended to facilitate a comprehension of it by showing, as stated in the paragraph, what would be its actual operation if applied to the estimates of 1881-82. Final calculations of this nature, however, should always be based on the latest and most accurate estimate obtainable at the time of settlement; otherwise the Imperial or the Local Government, as the case might be, would be deprived of any advantage which the recent information might afford. It is intended to take the Regular Estimate of the current year as the basis for final settlement, which will be effected after careful consideration of the circumstances of each Province.

5. The allusion in the latter portion of the same paragraph to the possibility of modification being required in the schedule and statement had reference merely to the indication of transfers and exchanges made between Provincial and Local heads and of the amounts or items retained in the former, which alone constitute the resources of the Provincial Government available for general purposes. The administrative and financial arrangements thus made in pursuance of the policy of "de-provincialisation" will not, however, affect the assignment to be made from Imperial revenue.

6. The settlements now about to be effected will in all cases be for a term of five years commencing from the 1st April next. It is to be distinctly understood that the Imperial Government reserves to itself on the expiration of the term the power to revise the settlements, and to withdraw from any Local Government such portion of its grant as cannot then be continued without injustice to other Provinces whose means are straitened, or limitation of Imperial undertakings which need early development. To the local Governments such revision will afford no cause of complaint, because the inducements now offered for entering into an agreement are the freedom to administer their own resources, and to apply at will (subject to the general standing orders) any increase reaped during the term of settlement alone. On the other hand, while the Local Governments will undertake, for the term of the settlement, all ordinary fluctuations in their revenues and expenditure, and to make such increases in the latter as may be necessary on the existing basis of administration, due allowance will be made, by modification of the fixed percentage of land revenue or otherwise, for any material alterations in the nature of their income, resulting from legislation or organic change of financial system effected for Imperial reasons.

7. In explanation of paragraph 20 of the Resolution, it may be added that the intention is to allow the Local Governments the same rights over divided revenues, and the same power to sanction new expenditure under divided heads, as they now possess in the case of the heads exclusively Provincial. It is not, however, in contemplation to disturb the existing powers of the Provincial Governments in respect of the Land Revenue, or their relations with special Departments having a distinct organisation such, for instance, as the Forest Department in Provinces other than Madras and Bombay.

8. The new terms on the subject of famine relief, contained in the Resolution, supersede any obligations which may have been imposed upon the Governments of the North Western Provinces and Oudh, the Punjab, and the Central Provinces of setting aside such amount as the Governor General in Council may direct for the purpose of increasing the revenues available for defraying expenditure incurred or to be incurred for the relief and prevention of famine in their respective territories. Any amounts hitherto so set aside will hereafter be at the disposal of the Local Governments for ordinary Provincial expenditure. Moreover, as a consequence of the new principles laid down in the Resolution of 30th September last, and of the separate provision in the Imperial Budget of a permanent annual allotment of one crore and a half of rupees for "Famine Relief and Insurance," the Local Governments, while always needing a moderate reserve, over and above the mere "working balance," of sufficient amount to meet scarcity and distress not indisputably amounting to severe famine, or other temporary exigencies, will no longer find it necessary to accumulate a great Provincial reserve fund, out of which the demands of severe famine could in future be largely

met. His Excellency in Council is of opinion that, subject to the moderate reserve just referred to, the Provincial Resources can be best utilised by being invested to the full, from year to year, in works of a Productive or Protective character.

9. The arrangements with the several Local Governments have now so far advanced that there will be no difficulty in applying the new scheme in all cases from the commencement of 1882-83. The separate communications, now in course of issue to each Local Government, will, it is believed, enable it promptly to communicate to the Local Accountant General or Controller any modifications which, in consequence of the settlement arrived at, it may desire to make in its Budget proposals for Provincial expenditure. On receipt of these by the Comptroller General, the Budget, which will have been already sent in on the 20th instant, will be recast to meet the altered circumstances, the exact percentage of Land Revenue assignment will be calculated, and a copy will be sent to the Local Government in time, when possible, to allow of special corrections being made by telegraph.

10. Regarding the measures to be adopted for extending local self-Government, detailed proposals have as yet been received from one Government only. His Excellency in Council trusts that the matter may receive as early disposal as its comprehensive nature will allow, and that, in any case, transfers and exchanges of revenues or charges will be arranged in time to come into effect with the new financial year.

ORDERED, that this Resolution be communicated to the Home, Foreign, Military, and Public Works Departments, as also to the Comptroller General and Accountants General, and the several Local Governments, and that it be published in the *Gazette of India*.

70

The Secretary to the Govt. of Madras. P. B. C.

CE 2810 d/24.11.81.
Ct^o 620/

GOVERNMENT OF INDIA.
PUBLIC WORKS DEPARTMENT.

ACCOUNT.
General.

To

Circular No. IV Public Works.

Dated January 23, 1882.

Received 20 Jan 82

Extension of the system of Provincial Finance
and self Local Government.

No. 64, P. W. D. Press—24-1-82—920.

Subd. in Receipt Rep.

No. 332 W.

PUBLIC WORKS DEPARTMENT.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

UNDER date the 7th February 1882.
Read the following:—

From

The Government of India (H.E. No. IV of 23rd January 1882)
Pro. Finl Depto — " — " 158 - of 25 - " — "

Ordered that the following
Telegram be sent to the
Government of India:—

"Circular Number Four of
"twentythird January x
"This Government not yet
"in a position to determine
"alterations to be made
"in Public Works Budget
"Estimates for 1882-83 x
"Earliest possible intimation
"will be given when
"decision is arrived at."

Desp^d 4/2/82

Financial Dept
Examiner A.W. Accounts

Desp^d 7-2-82-

2/2/82
Rtts
Data in Receipt Rep.

CE

6

12

The Am to Am dlat

in 1810

B. No 332 Waf 7th February 1882

Cholera 2810-24.11.81

Circ. 2/2 B4 282

20/6/2