

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

READ—the following papers :—

Proceedings of the Board of Revenue, dated 28th February 1883, No. 563.

ABSTRACT.—Communicating, with remarks, to all Presidents of Local Fund Boards, Government Order reviewing report on the operations of the Local Funds constituted under Act IV of 1871 for 1880-81.

Proceedings of the Board of Revenue, dated 5th April 1883, No. 944.

ABSTRACT.—Submitting to Government Board's annual report on the operations during 1881-82 of the Local Funds constituted under Madras Act IV of 1871.

Proceedings of the Board of Revenue, dated 23rd June 1883, No. 1837.

ABSTRACT.—Submitting to Government letter from the Accountant-General intimating that the items shown under "Miscellaneous Debt Heads" cannot be excluded from his annual accounts, nor can a complete adjustment of them be made within each year; and approving the procedure proposed by him in regard to their exhibition in the accounts.

Proceedings of the Board of Revenue, dated 21st July 1883, Mis. No. 6201.

ABSTRACT.—Submitting to Government explanation of the President, Local Fund Board, Malabar, regarding the decrease in the number of combined-system schools in 1881-82 as compared with those of 1880-81 in Calicut and Tellicherry circles.

Proceedings of the Board of Revenue, dated 30th July 1883, Mis. No. 6400.

ABSTRACT.—Submitting to Government, with remarks, letter from the President, Local Fund Board, South Arcot, furnishing information regarding the choultry at Teagadroog.

Proceedings of the Board of Revenue, dated 26th July 1883, No. 2149.

ABSTRACT.—Submitting to Government, with remarks, letter from Accountant-General furnishing explanation on certain points noticed in the Board's annual report on the operations during 1881-82 of the Local Funds constituted under Madras Act IV of 1871.

ORDER—dated 26th September 1883, No. 2154, Financial.

The report of the Board of Revenue on the operation of the Local Funds constituted under Madras Act IV of 1871 has been submitted several months after the prescribed date. It is not accompanied by any statement of arrears for the whole Presidency. The Government would be glad to receive such a general statement in future, as they consider its place but inadequately supplied by the district demand, collection, and balance statements.

2. The inclusion of suspense account and other miscellaneous debt heads complicates the accounts and gives an erroneous impression of the *bonâ fide* receipts and charges of the year. The officiating Accountant-General admits that the debt heads of account do not contain any items of Local Fund revenue and expenditure proper, and should not be taken into account when purely revenue and expenditure figures are dealt with (*vide* paragraph 7 of his letter printed in Board's Proceedings, dated 23rd June 1883, No. 1837). If, therefore, the Accountant-General considers the inclusion of these heads absolutely necessary in his accounts, the Board of Revenue might still, it would seem, have arranged for the elimination of such transactions in the accounts accompanying their administration report, showing them separately, if necessary, in an appendix in order to obviate any apparent discrepancies. With regard to advances for works made to officers of Government, it is observed that such ought not to be charged fully in the accounts, when not wholly expended within the year. Any sums remaining unexpended should be repaid into the treasury before the close of the year and accounts rendered only for charges actually incurred. The strict observance of this procedure should put a stop to many nominal transactions, which at present appear in the accounts, exaggerating the totals and conveying a false idea of the operations of the year. The Government cannot agree with the Board of Revenue that the net credit or debit under these heads should be exhibited in the accounts accompanying the administration report, considering that to do so would vitiate the closing balance of the year, which, to be a correct index of the working and reserve funds in hand, should be the difference between the revenue and expenditure proper of the year, *plus* similar surpluses or deficits of previous years. What is wanted for the administration report is not the cash balance in the treasury at the close of the year, but the actual difference between *bonâ fide* receipts and charges independently of advances and other transactions which have not been finally adjusted in the accounts and which, when adjusted, will appear under their appropriate heads. The following remarks of the Board of Revenue in regard to two of these items put the matter very clearly:—

"In regard to 'Public Works refunds' and 'Advances,' it is observed that they can hardly be included in the actual receipts and charges of the year, as the former are merely savings in expenditure in the amounts entrusted to Public Works and other officers for carrying out works, and the latter are liable to subsequent adjustment after completion of the works for which they are advanced and will appear under other heads as items of expenditure."

3. The Government will now proceed to review the report.

4. During the year the two circles, of which the district of Malabar was composed, were amalgamated on grounds of administrative convenience, it being represented that local interests would in no way be prejudiced by the measure. The Bellary district having been divided into the two districts of Bellary and Anantapur, it was resolved to reduce the number of Local Fund circles in the whole area from three to two, and to make them conterminous with the new districts with effect from 1st April 1882. The total number of circles was thus reduced from thirty-two to thirty-one during the year.

5. There is a difference of Rs. 1,58,520 between the closing balance of 1880-81 and the opening balance of 1881-82 owing to the omission of "Cheques payable,"—an adjustment entry—by the Board in the figures of 1880-81. The difference is observed in the balances of all but seven circles, and has arisen from the unsatisfactory system of accounting referred to in the preceding paragraph. It is not easy to understand how the omission in the accounts of 1880-81 came about, as the Board of Revenue state that they adopted the finally audited figures for that year.

6. The following abstract shows the total assets, expenditure and balance of the year under review as compared with those of the previous year:—

	Assets. RS.	Expenditure. RS.	Balance. RS.
1880-81	84,83,662	48,43,162	36,40,500
1881-82	91,83,464	57,18,528	34,64,936

These figures, however, include "Miscellaneous debt account" which should be omitted when the Board of Revenue submit their report for 1882-83.

7. Excluding the opening balance and adjustment entries, the actual receipts amounted to Rs. 52,22,806 against Rupees 50,20,822 in the preceding year. The increase is due mainly to enhanced collections of land-cess, occurring chiefly in the circles noted in the margin.

South Arcot.	Ellore.
South Canara.	Kurnool.
Chingleput.	Madura.
Coimbatore.	Dindigul.
Cocanada.	Tanjore.
	Negapatam.

8. The principal items of receipt were—

	1880-81. RS.	1881-82. RS.
Land-cess	38,43,358	40,16,352
Tolls	3,70,316	3,62,078
Pound Fund	37,871	37,986
Fishery rents	97,680	83,400
Ferry do.	1,15,512	1,30,886
Avenue clippings	70,278	40,757
Endowments, &c.—		
Schools	758	17,707
Hospitals and Dispensaries	16,379	39,106
Choultries	2,32,613	2,20,736
Market rents	47,126	45,619
Provincial Grants—		
For Roads	33,280	67,380
" Schools	2,918	1,202
" General purposes	11,350	21,335
Private contribution for works	29,223	23,783
School fees	25,953	29,581
Public Works receipts and refunds	27,305	85,688

9. The Government trust that the old road-cess abolished twelve years ago will not again appear in the accounts, but on this point the Board of Revenue are silent. Under Land-cess, although the rates remained the same in all circles as in the preceding year, the income showed on the whole an advance of Rs. 1,72,994, due chiefly to the collection of arrears to a far larger extent than in the previous year, especially in the Cocanada, South Arcot, Chingleput and Coimbatore circles. In the four circles

Bellary	45.5
Gooty	46.3
Nilgiris	46.3
Madanapalle	57.7

marginally noted the collections were very unsatisfactory, the ratio of collection to entire demand varying from 45.5 to 57.7 per cent. These shortcomings were duly noticed in the Board's Proceedings reviewing the annual reports of the circles concerned. In the circles of South Arcot, Coimbatore and Nellore the outstanding arrears are particularly large, and in the last two the greater portion consists of arrears of years previous to that under review. It is unsatisfactory to find that these arrears extend back for a period of eleven years. Excluding remissions, amounting to Rs. 63,635, the arrears at the close of the year aggregated Rs. 13,90,665, or 25.4 per cent. of the total demand. In Gooty and Kurnool the amounts remitted as irrecoverable were as large as Rs. 23,481 and Rs. 10,861

respectively. The circumstances in which these large remissions were granted should have been stated in the general report. The Tolls revenue amounted to Rs. 3,62,078, of which 25 per cent. was contributed by Municipalities as the Local Fund share of tolls collected within their limits.

10. Regarding the working of markets, more detailed information should in future be furnished. Fees were for the first time introduced in sixteen markets. The Government concur with the Board of Revenue in the opinion that market funds should be kept distinct and should not include cart-stand receipts. The sum of Rs. 1,725 transferred from Provincial funds to cover the deficit in the Dindigul circle should not have been included under Provincial grants, but should have been treated as a miscellaneous item, as it is not in the nature of a grant but of a loan to be subsequently repaid.

11. Excluding adjustment entries, the charges amounted to Rs. 56,00,655 against Rs. 47,75,226 in 1880-81. The increase occurs chiefly under Grant I owing to the Local Fund Engineering establishments having been in full working order throughout the year in all but two circles.

12. The principal items of expenditure were as follows:—

	1880-81.	1881-82.
	RS.	RS.
New Works—		
Communications	5,33,495	8,90,801
Civil Buildings	71,903	85,371
Miscellaneous Public Improvements	21,056	34,495
Repairs—		
Communications	19,20,311	19,97,202
Civil Buildings	51,185	55,886
Miscellaneous Public Improvements	88,126	1,11,612
Cost of Public Works Department Supervision and Local Fund Engineering Establishment	4,27,799	4,69,737
Miscellaneous	1,18,325	85,966
Total Public Works	32,32,200	37,31,070
Education	4,71,970	5,70,699
Hospitals and Dispensaries	2,12,204	2,55,926
Vaccination	1,19,091	1,26,108
Sanitary Establishment	2,51,180	2,74,386
Markets	18,018	72,911
Choultries	1,88,179	1,87,102
Miscellaneous	1,37,905	1,44,923
Supervision and management	1,23,980	1,57,115

13. On Communications—New Works and Repairs—the outlay incurred shows a considerable advance over the previous year, amounting to Rs. 28,88,003 against Rs. 24,53,806. In three circles the expenditure exceeded the allotments as shown below:—

New Roads.		Allotment.	Expenditure.
		RS.	RS.
South Arcot		69,733	73,186
Madanapalle		2,080	6,443
Repairs.			
Nilgiris		55,470	73,516

The excess in the case of Madanapalle was explained to be due to a misapprehension on the part of the Local Fund Engineer. In regard to the other two districts, the cause of the excess should be ascertained and reported. In three* circles

* Bellary. | Guntur. | Tanjore. the expenditure was less than 50 per cent. of the allotment. It is explained in the circle reports that the failure of rain and consequent scarcity of water and the want of competent overseers in Bellary, the absence of the Engineer during the greater portion of the year in Guntur, and the inefficiency of the Local Fund Engineering establishment in Tanjore occasioned the short expenditure in these circles. Omitting village roads, the total length of road under the control of Local Fund Boards was

20,735 miles, exceeding that for the preceding year by 96 miles. Of this, 17,726 miles were maintained during the year and 189 miles of new roads completed, besides 605 miles in progress. The roads are reported to be generally in good condition, except in the circles of Chatrapur, Masulipatam and Dindigul, in which they were bad for the special reasons stated by the Board of Revenue. In addition to the outlay on these main lines of communication, a sum of Rs. 1,14,982 was spent in the formation and upkeep of 1,362½ miles of village road. Several buildings of public utility, enumerated in paragraph 39 of the Board's Proceedings, were built or repaired during the year at a cost of Rs. 1,55,566. The number of markets was 170 against 154 in 1880-81, and that of other endowed institutions 248 against 238. The expenditure of the several endowed institutions amounted to Rs. 3,36,688 against Rs. 2,87,405 in the previous year. This excess is stated to be due almost entirely to the construction of sheds for the weekly markets held in the Coimbatore circle. The Coimbatore circle contains the largest number of Local Fund markets, viz., 69, Chittoor following next with only 26. It would have been well if the market system, as worked in Coimbatore, had been fully described in the general report and circulated to other circles for information.

14. The Educational charges, aggregating Rs. 5,70,699, show a considerable advance on the previous year, in which only Rs. 4,71,970 were expended. Inspection, Training schools and Grants-in-aid are the heads under which the increased outlay was incurred. Five Additional Deputy Inspectors were entertained during the year and an equal number of Normal schools established. In the sixteen Normal schools 309 pupils received training against 223 in the previous year, but the progress made was not as satisfactory as it should be, only 176 pupils out of 280 passing the Special Upper Primary Examination. It is observed that the Board of Revenue speak of this examination as the "Upper Primary Examination," omitting the word "Special." It is presumed that the students were subjected to the usual test in teaching power, method, &c., before Normal certificates were granted to them.

15. The Local Fund schools consisted of 1,722 Lower class and 40 Middle class schools against 1,719 and 37 respectively in the preceding year. Of the total number, viz., 1,762, the schools maintained on the salary system numbered 314, the rest being on the combined system. The total attendance in all these schools was 56,375 pupils, or 5,007 more than the number in the previous year. In the Primary schools the average cost of educating each child amounted to Rs. 5-9-8 on the salary system, and Rs. 2-15-3 on the combined system against Rs. 6-4-5 and Rs. 3-5-5 respectively in 1880-81. Schools aided by salary grants numbered 20 against 18 in the preceding year, while those under the results system increased from 4,535 with 87,128 pupils to 6,398 with 129,387 children. The total grant paid on account of these schools amounted to Rs. 1,99,361 and exceeded that paid in 1880-81 by Rs. 76,427, owing partly to the fact that a larger number of schools and scholars qualified for the grant, and partly to the payment of more liberal grants under the revised Grant-in-Aid Code.

16. Twenty-five new dispensaries were opened in addition to 155 existing in the previous year. These institutions afforded relief to 11,789 in-patients and 779,942 out-patients against 12,809 and 647,177 in 1880-81.

17. There was a slight increase in the Vaccination staff, the number of vaccinators being 587 against 580 in 1880-81. The work done and the cost per operation is shown below:—

	Number of Persons vaccinated.	Number of successful cases.	Percentage of successful to total number of operations.	Cost per successful case.		
				RS.	A.	P.
1880-81	548,810	490,198	89.32	0	3	11
1881-82	490,541	455,949	92.9	0	4	5

In the Tanjore district the falling off in the number of vaccinations is considerable, and partly accounts for the increase in the cost per successful case, which varied from 2 annas 4 pies in Coimbatore to Rs. 1-0-3 in Madanapalle. Endeavours should be made to reduce the cost in the latter circle as well as in Cuddapah, Masulipatam, and Guntur.

18. On sanitary improvements, as particularised in the margin, the outlay

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| 1. Improvement of water-supply. | amounted to Rs. 2,74,386, exceeding that |
| 2. Do. of village-site. | for the previous year by Rs. 23,206 but |
| 3. Scavenging villages and towns. | falling short of the budget grant by |
| 4. Sanitary arrangements at fairs and festivals. | Rs. 79,898. |
| 5. Miscellaneous, excepting works charged to Grant I. | |

in the year under review, the increase being due chiefly to the opening for public use of fifteen newly-built choultries and to the taking over of five choultries from private management in the circles of Kurnool and Nellore. It is satisfactory to note that while the travellers fed in these choultries

		Number of Travellers fed.	Cost.	
1880-81		2,025,249	RS. 92,724	
1881-82		2,212,378	81,114	
Receipts			RS. 9,209	
Expenditure			28,549	

19. The number of choultries rose from 279 in the preceding year to 298 increased by 187,129, the cost of feeding them was reduced by Rs. 11,610 as particularised in the margin. The fact is attributed to the fall in the price of grain. The charges in connection with travellers' bungalows are, it is noted, far in excess of the receipts. Endeavours should be made to restrict such expenditure as far as possible.

20. The contributions paid by Local Fund Boards to Municipalities and Missionary Societies for medical and sanitary purposes amounted to Rs. 92,434, or Rs. 18,135 in excess of the amount paid in the previous year.

21. The average incidence of Local Fund taxation per head calculated on the figures of the census of 1871 is compared below with that for 1880-81.

			Incidence including Tolls.			Incidence excluding Tolls.		
1880-81			RS. A. P.			RS. A. P.		
1881-82			0 2 5			0 2 2		
			0 2 6			0 2 4		

This slight increase is doubtless due to the larger collections of land-cess during the year.

22. Regarding the working of the Boards, extracts are submitted from the reports of four Presidents. In South Canara Mr. Sturrock points out that, owing to the existence of large demands of annual recurrence on the funds at the disposal of the Board, there is not much scope for the expression of individual opinion, but that whenever money is available for new objects or a change in existing arrangements is proposed, the members show every readiness to take advantage of their powers and privileges. The Government trust that the same may be said with truth of every other Circle Board in the Presidency.

(True Extract.)

E. S. LAFFAN,
Acting Under Secy. to Govt.

To the Board of Revenue, with one enclosure.

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| „ Revenue Department, | } with copy of Board's Proceedings, No. 944 of 1883. |
| „ Public Works Department, | |
| „ Accountant-General. | |
| „ Surgeon-General with the Government of Madras. | |
| „ Sanitary Commissioner for Madras. | |
| „ Director of Public Instruction. | |

Exd. J. Henricus.

Gobt. of (1883) Madras.

FINANCIAL.

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Encl.

G.O., 26th September 1883, No. 2154.

N: 2973 Raf. 19th Oct/83

SEPTEMBER.

Local Funds—Reports.

Reviewing the annual report of the Board of Revenue on the operations, during 1881-82, of the Local Funds constituted under Madras Act IV of 1871.

With order

Exam. P. W. accounts