

Govt. of 1883 Madras.

FINANCIAL.

No 632 W d/27th
Feb 1883

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Issued

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Encl.

G.O., 16th February 1883, No. 369.

FEBRUARY.

No 632 W d/27th Feb 1883

Decentralisation—Provincial
Services.

Passing orders on letter from Government of India reviewing the several proposals of this Government for the improvement of the Provincial administration of the Presidency.

W. S.

3. The financial effect of the concessions made may be described as follows.

Credit has already been taken in the regular estimate for the current year for the

G.O., No. 131, dated 22nd January 1883.

Estimate for 1883-84.

	RS.
Opening Balance	14,40,567
Receipts	2,23,41,100
Add amount to be granted ..	2,50,000
Charges	2,40,31,667
Closing Balance	10,58,467

sum of Rs. 6,50,000, and the opening balance for the ensuing year is expected to amount to Rs. 14,40,567. The estimated receipts for 1883-84 amount to Rs. 2,23,41,100, or Rs. 6,32,100 below the estimated charges, and though the receipts will now be raised by Rs. 2,50,000, the charges will still be nearly four lakhs of rupees above the receipts, the closing balance being Rs. 10,58,467. Even leaving out of consideration the several administrative reforms which it is under

contemplation to introduce, should the charges continue to bear the same proportion to the receipts in the three following years, the Provincial Exchequer would, notwithstanding the further five lakhs of rupees to be conceded in each year, find itself placed at the end of the present contract in a position of difficulty.

4. In order, therefore, to enable this Government to carry out in part at least the proposals for the improvement of the Provincial administration of the Presidency, Heads of Departments will be requested to enforce the strictest economy in expenditure under their control, to effect savings wherever possible, and on no account to exceed the budget allotment.

5. The Revenue, Judicial, and Public Departments, to which the Government of India letter has already been referred, will have in view the financial difficulties represented in dealing with the several proposals now under reconsideration.

(True Extract.)

C. G. MASTER,
Chief Secretary.

To the Public Department.

„ the Judicial „
„ the Revenue „
„ the Military „
„ the Public Works Department.
„ the Board of Revenue.
„ all Heads of Departments.

Exd. T. O'Connor.

Revenue is high. Fairer results, I think, are obtained if the rateable distribution of the grants for Administrative heads and Public Works charges are based on the gross "Provincial Revenue" (column E in the enclosure to paragraph 30). I annex below a statement similar to that in paragraph 30 but with the Provincial charges distributed in the manner proposed above.

(Signed) H. F. CLOGSTOUN,
Accountant-General.

21st November 1882.

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

READ—again G.O., dated 9th February 1883, No. 251, Financial.

ABSTRACT.—Communicating to the Public, Revenue, and Judicial Departments of the Secretariat letter, No. 537, dated 30th January 1883, from the Government of India in view to the several proposals made for administrative reforms being reconsidered with reference to the remarks contained in the letter.

ORDER—dated 16th February 1883, No. 369, Financial.

In their letter above recorded, the Government of India review the several proposals of this Government for the improvement of the Provincial administration of the Presidency involving permanent additional expenditure of over twelve lakhs of rupees. They observe that the promise contained in paragraph 5 of their letter, No. 491, dated 24th January 1882, that these proposals would receive prompt and liberal consideration, and would be provided for by an additional grant from Imperial Revenues, was intended to be contingent, not merely on the expressed condition that the proposals of this Government should be prepared with due regard to economy, but also on the ability of the Imperial Revenues to bear additional expenditure with reference to other and pressing claims against those revenues; and, though it is admitted that the claims of the Madras Presidency upon the Imperial Exchequer have not in past years met with that full consideration to which they were intrinsically entitled, it is explained that it would, under no circumstances, be possible for the Supreme Government to supplement the revenues of the Local Government to an extent sufficient to enable them to carry out at once even those reforms in administration which are admitted to be urgently necessary. In order, however, to meet to some extent the just demands of this Government, the Governor-General in Council has determined to increase the Provincial revenue by two-and-a-half lakhs of rupees for 1883-84 and by five lakhs of rupees for 1884-85 and for each remaining year of the current Provincial contract, i.e., for the following two years, 1885-86 and 1886-87.

2. The Government of India have, moreover, consented to make a lump grant of Rs. 6½ lakhs for the current year in consideration of the financial embarrassment involved by the transfer to Imperial of the Local Fund contribution of Rs. 5,67,000 and by the remission of the Municipal contribution for Police for the current year. As regards the cost involved in the prolongation of the census operations, the Government of India cannot admit that any sufficient case has been made out for relieving the Madras Government of this expenditure.

Provinces.	Total Provincial Revenue 1863-64 to 1879-80 inclusive.	Public Works Charges other than Military.	Provincial Charges other than Public Works.	Public Works Charges distributed rateably to Provincial Revenues, E.	Difference between Column N and (e) showing Loss or Gain.	Provincial Charges H distributed rateably to Provincial Revenues E.	Difference between Column H and (c) showing Loss or Gain.	Total Loss or Gain as shown in Columns (f) and (d).
	E.	N.	H.	(e)	(b)	(c)	(d)	
Central Provinces	16-70	4-09	8-43	3-12	+ .97	6-33	+ 2-11	+ 3-08
British Burma	18-61	4-19	9-10	3-48	+ .71	7-04	+ 2-06	+ 2-77
Bengal	108-47	21-35	43-79	20-28	+ 1-07	41-01	+ 2-78	+ 3-85
North-Western Provinces and Oudh	124-72	15-30	38-75	23-32	- 8-02	47-15	- 8-40	- 16-42
Punjab	49-33	18-95	19-47	9-22	+ 9-73	18-65	+ .82	+ 10-55
Madras	102-65	14-16	34-15	19-19	- 5-03	38-81	- 4-66	- 9-69
Bombay	91-56	17-71	39-91	17-12	+ .59	34-62	+ 5-29	+ 5-88

MEMORANDUM.

THE statements drawn up by Colonel Sankey exhibiting the receipts and expenditure in each Province from the years 1863-64 to 1879-80 have been forwarded to me for verification, and he has invited my remarks in regard to the deductions drawn by him from these figures in a memorandum which he has drawn up with the view of showing that Madras has, in past years, not received for expenditure within its borders so large a percentage of revenue as has been allotted to other Provinces.

2. The figures in the different statements for the years 1st May 1863 to 31st March 1871 agree with those given in Part I of the compilation of the Finance and Revenue Accounts of India for that period. Those for the period 1st April 1871 to 31st March 1880 have been compared with the figures in Part I of the compilation of the Finance and Revenue Accounts of India for the periods 1st April 1871 to 31st March 1879 and 1st April 1872 to 31st March 1880 and are correct.

3. The Government of India point out in paragraph 9 of their letter to the Government of Madras, No. 491, dated 24th January 1882, that the accounts kept in the different Provinces are "varied in their nature and somewhat complex, and that unless all items of difference in system between one and another be in the first place eliminated, no general comparison is possible which will not yield fallacious results."

The plan which Colonel Sankey has adopted of eliminating all items of Imperial receipts and expenditure from the General Accounts, and confining his comparison to the receipts and expenditure of each Province under a limited number of heads, obviates to a great extent the difficulties alluded to by the Government of India.

4. I regret that I have not a sufficient knowledge of the system of account followed in the different Provinces to enable me to certify that the comparison now made is strictly fair. It appears to me, however, to be generally so as far as it goes; but I think the comparison would have been more complete if it had included in the revenues and charges other than Imperial, of each Province, a certain portion of the receipts and expenditure of the Guaranteed Railways within the Province.

There does not seem to be sufficient reason why, in a comparison of the nature of that which it is now proposed to make, Guaranteed Railways should be treated as wholly Imperial, and it is clear that in an account which shows for each Province the receipts and expenditure under Irrigation Works, but omits those under Guaranteed Railways, a Province whose Irrigation Works pay and whose Railways do not, is shown in an unduly favorable light as compared with a Province whose Irrigation Works do not pay but whose railways do.

I am unable to modify the statement by the insertion in them of the Provincial receipts or expenditure under Guaranteed Railways, as I can find no account in which the receipts and expenditure are shown for each Province.

5. In statement I, paragraph 21 of the memorandum, the whole of the Public Works and Administrative charges of the seventeen years are shown under the Provinces in which they were incurred, and an attempt is made to show what each Province would have been granted for its Public Works and Administrative charges if the Net Provincial Revenue had been taken as the basis of the allotment, and the grants had been made in proportion thereto.

I think that to take as the basis of these allotments the Net Provincial Revenue, that is to say, the total receipts of the Province other than what are treated as Imperial items, *minus* the Provincial charges other than Imperial less Public Works expenditure, leads to results which are unduly favorable to those Provinces whose Administrative charges have been low and where consequently the Net Provincial

ANALYSIS OF THE FINANCE AND REVENUE ACCOUNTS FROM 1863-64
TO 1879-80, BOTH YEARS INCLUSIVE.

For very many years there has been a feeling that Madras while making a greater effort than elsewhere in India to encourage education and local Self-Government, and to carry on the administration of the finances efficiently and economically, has been compelled to bear more than its ratable share of Imperial burdens, and has at the same time been assigned an unduly small amount for its irrigation works which, as shown by the statistics, are not only the most remunerative and important in India, but are larger and more varied in character than those of any other country in the world.

2. While for political reasons enormous sums of public money have been devoted to the Punjab, Central Provinces, and Burma after their incorporation into the empire, and while both Bombay and Bengal have been treated with, to say the least, exceptional indulgence, it has been felt that the Southern Presidency has all along been left out in the cold, though entitled to receive very special consideration, on account of its being notoriously more exposed to periodical attacks from devastating famines, than any other province.

3. The feeling above adverted to has from time to time been expressed more or less loudly, but it must be confessed in too spasmodic a form to lead to any beneficial or permanent result.

4. Throughout his long and, in many respects, most brilliant and useful career General Sir Arthur Cotton has, both in season and out of season, urged on attention the claims of Madras for increased expenditure on Public Works of utility, and during the Governorships of His Grace the Duke of Buckingham and the late Mr. Adam, the subject has been specially submitted for the consideration of the Government of India. Quite lately, moreover, most serious attention has been drawn to the subject in the Public Works Department.—See G.O., 16th October 1882, No. 2696 W.

5. So far as known there has never been any specific declaration by the Government of India, as to the principles to be observed in assigning the proportions of the Imperial burdens to be borne by each Province, although it might have been anticipated that as the forms of administration in all those last annexed to the empire settled down into normal working, and as the construction of strategical railways and distribution of the garrison had reached finality throughout India, opportunity would have been taken to define the respective liabilities on some fixed principles.

6. In the absence of any authoritative ruling on the point, it is only natural to look for an expression of the views, held by the most recent and eminent of the exponents of Imperial finance.

7. In Sir John and General Strachey's late work on the "Finances and Public Works of India," it is shown that immediately preceding the first decentralization of the finances under Lord Mayo, the position of the Government of India as general distributor had become quite intolerable, the Supreme Government being, as stated, "always suspicious and dissatisfied, the Local Governments always sulky and discontented," the authors adding that the measure in question was "strictly based on actual expenditure under the heads transferred." They further observe, "that there were great differences in the incidence of the public burdens in different provinces was well known, but it would have been quite impracticable to have attempted any re-adjustment at that time, and all idea of dividing the available revenues among the several Governments, on theoretical conceptions of supposed equity was deliberately rejected."

8. It is impossible to form an opinion as to the force of the reasons which then appeared so conclusive, against any ratable adjustment of the general burdens, as these have not been stated, but whatever they were the words "at the time" in the above quotation lead to the inference that, the decentralization of 1871-72, which was entered on tentatively under such pressing motives as those described, would on subsequent revision be susceptible of re-adjustment on some well-defined equitable principles.

9. From the terms of the Resolution of the Government of India, No. 3353, Finance and Commerce, dated 30th September 1881, conveying orders on the latest phase of decentralization, it does not appear that any step has been made in the direction indicated; the scheme in fact merely adopts the *status quo*, and will, if allowed to remain unchanged, give the force of prescription to a distribution of the general funds which, as above shown, in the opinion of the chief authors of the original measure, was not based on any abstract considerations of equity.

10. In the Public Works letter previously quoted (G.O., No. 2696 W.), paragraphs 40 and 41, it is observed, "from the Finance and Revenue Accounts, 1863-64 to 1879-80, it can be shown that this Presidency has hitherto contributed more than 22 per cent. of the Imperial charges; a disproportion so marked, whether judged from the standpoint of Provincial receipts, land revenue, or population, as to call for most careful consideration." * * * That such is also clear from the assignments made under the late decentralization orders, it has only to be stated that whereas 38.48 of the land revenue has been conceded to Bengal, 43.29 to the Punjab, 48.46 to the Central Provinces, 49.82 to Assam, 33.61 to British Burma, and no less than 58.55 (or in reality 66.3 per cent. as shown in the foot-note) to Bombay, only 23.9 per cent. has been granted to this Presidency."

11. As it is in every way desirable that a matter of such very grave importance to the future prosperity of this Presidency, should no longer be left to mere assertion of opinion, an attempt has now been made to analyse the Imperial Finance and Revenue Accounts for the period above indicated, but before proceeding to give the results it is necessary to note very briefly the principles on which this examination is based.

12. In the published Finance and Revenue Accounts the leading account for each province has at bottom a line of figures, designated variously, "net surplus" or "net surplus towards general charges."

13. For all provinces directly under the Government of India the receipts and charges (other than those connected with buildings) under the head "Military" are credited and debited in lump against "India General," whereas for Madras and Bombay the amounts under "Military" are credited and debited respectively against each in bringing out the "net surplus" adverted to. The first adjustment here, therefore, is to remove the Military charges, &c., from the accounts of the two last mentioned provinces.

14. The next point is to eliminate from the combined accounts of all the provinces equally, the several items of receipt or charge which may be considered as being in their nature Imperial. The result of this process will necessarily be to leave none but Provincial items to deal with, on both sides of the several accounts.

15. In deciding what items are purely Imperial in their nature, no serious error can, it is thought, be committed by taking as a guide the items over which, in the last decentralization scheme, the Government of India has retained its full unfettered claim.

16. These items are as follows:—

- | | |
|--|--|
| 1. Interest on funded and unfunded Debt. | 9. Ecclesiastical. |
| 2. Interest on Service Funds. | 10. Political Agencies. |
| 3. Customs. | 11. Allowances and Assignments under Treaties and Engagements. |
| 4. Salt. | 12. Superannuation and Retired Allowances. |
| 5. Opium. | 13. Famine Relief. |
| 6. Mint. | 14. Loss by Exchange. |
| 7. Post Office. | |
| 8. Marine. | |

17. Detailed statements to the nearest lakh of rupees have thus been constructed for each province, including the Productive Public Works Expenditure between 1871-72 and 1879-80, as shown in the charges of each province.

18. The receipts and expenditure of what are now termed "Incorporated Local Funds," have had to be excluded from the statements previous to 1871-72, as up to that time, they have been given in lump sums only in the accounts and not under service heads; but as the items are not very large and all provinces are equally affected by the omission, the results cannot thereby be sensibly vitiated.

19. The statements worked out year by year for each province being voluminous, it has not been thought requisite to do more than give the general abstract herewith appended, which records the ultimate results for the seventeen years examined:—

Total Receipts and Expenditure of each Province for the period 1863-64 to 1879-80, in lakhs and decimals.

	Central Provin- ces.	British Burma.	Bengal.	North- West Pro- vinces and Oudh.	Punjab.	Madras.	Bombay.	Total.
	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.
Receipts.								
A Total Imperial Items	195.4	602.0	16,839.6	909.1	1,390.7	3,410.9	7,377.4	30,725.1
B Total Imperial and Provin- cial Receipts (less Public Works)	1,842.4	2,420.3	27,414.1	12,801.2	5,876.7	13,571.8	16,283.4	80,209.9
C Total B—A	1,647.0	1,818.3	10,574.5	11,892.1	4,486.0	10,160.9	8,906.0	49,484.8
D Total Public Works classed and unclassified	23.5	43.2	272.9	580.3	447.3	104.8	250.6	1,722.6
E Total Provincial Receipts (C + D)	1,670.5	1,861.5	10,847.4	12,472.4	4,933.3	10,265.7	9,156.6	51,207.4
Charges.								
F Total Imperial Items	223.9	136.7	5,448.0	674.2	544.2	2,073.4	3,155.9	12,256.3
G Total Imperial and Provin- cial Charges (Civil)	1,066.6	1,046.8	9,826.9	4,549.0	2,491.2	5,488.4	7,146.7	31,615.6
H Total Provincial Charges G—F (less Public Works).	842.7	910.1	4,378.9	3,874.8	1,947.0	3,415.0	3,990.8	19,359.3
I Net Provincial Revenue E—H	827.8	951.7	6,468.5	8,597.6	2,986.3	6,850.7	5,165.8	31,848.4
J Percentage H on I	101.8	95.7	67.7	45.1	65.2	49.9	77.2	60.8
K Total Public Works Outlay.	488.1	469.4	2,227.0	1,736.4	2,103.4	1,546.4	2,155.6	10,726.3
L Percentage Public Works Outlay on the Net Provin- cial Revenue K on I	59.0	49.3	34.4	20.2	70.4	22.6	41.7	33.7
M Military Buildings	79.3	50.2	92.2	205.7	208.4	130.6	355.0	1,151.4
N Civil Works of all classes K—M	408.8	419.2	2,134.8	1,530.7	1,895.0	1,415.8	1,770.6	9,574.9
O Percentage N on I	49.4	44.1	33.0	17.8	63.5	20.8	34.3	30.1
P Net surplus F and R ac- counts not including Mili- tary	311.1	947.4	15,689.6	7,092.0	1,701.6	6,639.7	7,144.7	39,526.1
Q Percentage K on P	156.9	49.5	14.2	24.5	123.5	23.3	30.2	27.1
R Land Revenue only (gross).	1,009.2	1,164.9	6,433.1	9,186.5	3,344.0	7,306.8	6,122.2	34,566.7
S Do. + Public Works Re- ceipts D + R	1,032.7	1,208.1	6,706.0	9,766.8	3,791.3	7,411.6	6,372.8	36,289.3
T Percentage Public Works Outlay on Land Revenue N on S	39.6	34.7	31.8	15.7	49.9	19.1	27.8	26.4

N.B.—In the above table the totals of Imperial items of receipt and charge, A and F, are the sum of all the heads of service enumerated in paragraph 16, as given in the Finance and Revenue Accounts, excepting Military in the case of Madras and Bombay, which for the reason assigned in paragraph 13 had already been eliminated.

20. The main object being to show—*First*, What has been the true Provincial Revenue in each case free from all Imperial receipts and charges, and *Second*, The amount and proportion of this Provincial Revenue which has been devoted to Public Works of all classes (excluding Military Buildings as being Imperial) the results have been brought out in the columns marked L, N, and O; but as further serving to show the relative economy of administration under the respective Governments, the analysis shows in columns H and J the Provincial charges (other than Public Works) and the proportions which these have borne to the Net Provincial Revenues.

21. The following table No. I gives in a concise form the results.

Table No. I.

(Read with the decimal points the figures represent millions sterling, and without these lakhs of rupees.)

Province.	Total Net Provincial Revenues 1863-64 to 1879-80 inclusive.	Public Works Charges other than Military.	Provincial Charges other than Public Works.	Public Works Charges distributed ratably to Net Provincial Revenues.	Difference between Column N and (a), showing loss or gain.	Provincial Charges distributed ratably to Net Provincial Revenues.	Difference between Columns II and C, showing loss or gain.	Total loss or gain as shown in Columns 6 and 7.
	I.	N.	H.	(a)	(b)	(c)	(d)	(e)
1. Central Provinces	8.28	4.09	8.43	2.49	+ 1.60	5.03	+ 3.40	+ 5.00
2. British Burma	9.52	4.19	9.10	2.86	+ 1.33	5.78	+ 3.32	+ 4.65
3. Bengal	64.68	21.35	43.79	19.44	+ 1.91	39.31	+ 4.45	+ 6.93
4. North-West Provinces and Oudh	85.97	15.30	38.75	25.85	+ 10.55	52.26	+ 13.51	+ 24.06
5. Punjab	29.86	18.95	19.47	8.98	+ 9.97	18.15	+ 1.32	+ 11.29
6. Madras	68.51	14.16	34.15	20.60	+ 0.44	41.64	+ 7.49	+ 13.93
7. Bombay	51.66	17.71	39.91	15.53	+ 2.18	31.43	+ 8.48	+ 10.66
	318.48	95.75	193.60	95.75	..	193.60	..	..

22. Here the figures in columns I, N and H correspond with those in the foregoing general abstract, but are given in millions sterling. The Net Provincial Revenues, column I, include receipts in the Public Works Department, but exclude the charges, column N, as in some provinces (Madras particularly) water-rates are included in land revenue, and it would have been impossible to separate the items.

23. Column (a) shows the proportion of total expenditure (95.75 millions) which under a distribution made strictly ratably on the Net Provincial Revenues in column I, would have fallen to the share of each province for public works, and column (b) the differences *plus* or *minus*, as compared with the distribution which has actually been made.

24. In other words, column (b) shows the sums which each province in turn has lost or gained, by the non-observance of a principle of ratable distribution, as applied to the aggregate amount available for expenditure on the public works of the empire.

25. In the same way column (c) distributes ratably the total charges for administration, 193.60 millions, column (H); and column (d) shows the loss or gain to each province in turn. Lastly, column (e) collects the results of (b) and (d) as similarly determined upon purely theoretical grounds.

26. It will be here noted that whereas the North-West Provinces and Oudh, have had for their public works less by 10½, and Madras by 6½ millions, than their ratable share, the Punjab has secured 10, and Bombay 2 millions too much. Considering also the small revenues of the Central Provinces and British Burma, they have been relatively considerable gainers.

27. But it is chiefly under the Provincial charges, other than Public Works, that the first-named provinces have to all appearances fared so badly. On the whole the North-West Provinces and Oudh have in the seventeen years examined, had for all purposes of Provincial administration 24, and Madras nearly 14 millions less than the ratable share, while the Punjab and Bombay on the contrary have respectively had 11½ and 10½ millions more; but considering their revenues both the Central Provinces and Burma, have apparently gained more than any others in India.

28. Had the inquiry been extended to other heads of service equal, if not even greater, differences which it is difficult at first sight to account for, would no doubt reveal themselves, e.g., whereas Madras with its relatively larger army has had only 130.6 lakhs allowed for its expenditure on Military Works, Bombay has had the command no less than 385.0 lakhs in the period examined.

29. From the manner in which the public accounts are kept, some curious anomalies moreover present themselves, as having specific bearing on the question at issue.

30. Thus, as already noticed by this Government in G.O., No. 2695 W., (foot-note to paragraph 41,) from the manner in which the assumed rental of inam lands are included in the Bombay land revenues, these latter have been swelled by an anomalous amount of no less than 7.46 millions sterling, in the seventeen years under examination. This being purely a book transaction the amount is deducted under the head "Allowances and Assignments under Treaties and Engagements," sub-head "Inamdars;" but as these are in the foregoing analysis treated as Imperial, it follows that the results brought out are *pro tanto* more favorable than they ought to be to Bombay. Making in fact the corrections due to this item, it will be found that Bombay has had 12.20 millions, instead of 10.66 too much as shown by the table.

31. The inequalities exhibited by the percentages of the Net Provincial Revenues which have been employed on public works, or devoted to meeting administrative charges, present very marked contrasts as will at once be seen from the following:—

Table No. II.

Provinces.	PERCENTAGE OF NET PROVINCIAL REVENUE, COLUMN I, ASSIGNED ON AN AVERAGE YEARLY.	
	To Public Works other than Military. N. on I.	To Administrative charges other than Public Works. H. on I.
	(f)	(g)
1. Central Provinces	49.4	101.8
2. British Burma	44.1	95.7
3. Bengal	33.0	69.7
4. North-West Provinces and Oudh	17.8	45.1
5. Punjab	63.5	65.2
6. Madras	20.8	49.9
7. Bombay	34.3	77.2

N.B.—The results, for the reason before assigned, are much too favorable to Bombay.

32. The Land, next to the Net Provincial Revenues as above, may be also taken as a fair basis for testing the incidence of public outlay, and in this view the following table may prove interesting:—

Table No. III.

Provinces.	Total Land and Public Works Revenues.	Public Works Charges distributed ratably to column (h).	Difference between column N and (i) showing Loss or Gain.	Total Revenue charges, column H, distributed ratably to column (h).	Difference between column H and (k) showing Loss or Gain.	Total Loss or Gain.
	(h)	(i)	(j)	(k)	(l)	(m)
1. Central Provinces	10.33	2.73	+ 1.36	5.51	+ 2.92	+ 4.28
2. British Burma	12.08	3.19	+ 1.00	6.44	+ 2.66	+ 3.66
3. Bengal	67.06	17.69	+ 3.66	35.78	+ 8.01	+ 11.67
4. North-West Provinces and Oudh	97.67	25.77	— 10.47	52.11	— 13.36	— 23.83
5. Punjab	37.91	10.00	+ 8.95	20.23	— 0.76	+ 8.19
6. Madras	74.12	19.55	— 5.39	39.53	— 5.38	— 10.77
7. Bombay	63.73	16.82	+ 0.89	34.00	+ 5.91	+ 6.80
Total	362.90	95.75	..	193.60	..	..

33. The results thus obtained do not to any very material extent alter the relative positions of the several provinces; Bengal, owing to its unduly small Land Revenue, being necessarily chiefly affected. Judged by this standard it has received 11·67 millions too much, or 4·74 millions more than when tested by its total Net Provincial Revenue. The position of Bombay is improved to the extent of 4 millions, but, as in the first case, the results are too favorable by at least $1\frac{1}{2}$ millions, owing to the cause previously explained.

34. Another though obviously not so valuable a method of testing the incidence of the charges is that of population.

35. The figures in the following table, based on the published results of the last census (1881), sufficiently explain themselves:—

Table No. IV.

Provinces.	Population in Millions.	Public Works charges (N) per Million of Population.	Provincial charges, Column (H), per Million of Population.	Totals, Columns (o) + (p).
	(n)	(o)	(p)	(q)
1. Central Provinces	11·50	LAKHS. 0·36	LAKHS. 0·73	LAKHS. 1·09
2. British Burma	3·71	1·13	2·45	3·58
3. Bengal	68·82	0·31	0·64	0·95
4. North-West Provinces and Oudh	44·09	0·35	0·88	1·23
5. Punjab	18·78	1·01	1·04	2·05
6. Madras	30·84	0·46	1·11	1·57
7. Bombay	16·37	1·08	2·44	3·52

36. Under this test both Bombay and British Burma, would appear to have had per head of population, nearly double the amount for public works and administrative charges assigned to Madras, and nearly three times that given to the North-West Provinces.

37. The special period over which the examination has extended (1863-64 to 1879-80) has no doubt influenced the results, and is particularly marked in reference to the North-West Provinces and Oudh, which would appear to have had very much less assigned to them than any other province.

38. It must however be borne in mind that, in addition to the North-West Provinces possessing natural water carriage of the highest value, in such navigable rivers as the Ganges, Jumna, Gunduk, Gogra, Goomptee, &c., large sums of public money had prior to the period examined, been expended, on canals and railways, *e.g.*, on the Eastern Jumna and Ganges Canals, on the East Indian and Great Indian Peninsula Railways. Again, at the close of the period such vast works have been sanctioned as those of the Lower Ganges, Agra, and other canals, and a more extensive network of railways has been either carried out and projected, than exists in probably any other part of India.

39. If, therefore, the past as well as the contingencies of the immediate future could be brought into view, it may be doubted whether, on the whole, the North-West Provinces has fared nearly so badly as Madras, though otherwise the economy of its administration is conspicuous, and throughout the period examined it has certainly had ratably less to spend on Public Works than any other Province.

40. Again, as regards the Punjab and Bengal, the first of which has been shown to have received over eleven and-a-quarter, and the latter nearly seven millions over its ratable share, the advantages of having had great natural internal waterways should be taken into account.

41. In reference to the latter province particularly, Sir R. Temple, in his late work, "Men and Events of my time in India," observes that Bengal "has for its

highways the rivers threading and permeating the country like a network, and constituting natural channels of communication on a magnificent scale," adding that "the husbandman, village artizan, pedlar or market gardener does not keep a cart; he has a boat instead, in which he sculls along the watery ways with his produce or his wares. Even the laborer or menial learns to paddle his canoe."

42. Political reasons of paramount importance in some cases, the need of completing arterial communications, including railways in others, &c., would probably have dislocated any scheme based in times past solely on theoretical considerations of equity, but looking to the altered condition of matters in all respects, there are now to all appearances only two items of charge, famine and war, which can be considered as abnormal.

43. Even as regards the first, famine, its recurrence is now recognized as so certain as to bring it within the class of ordinary charges, though with this distinction that some zones are more exposed to its attacks than others, and that in dealing with these, other than strictly financial considerations must be duly weighed. In this view Madras, which as well known has more frequently suffered from destructive famines than any other province in India, has the strongest claims to be treated with exceptional liberality.

44. That the reverse has been the case is clear from the foregoing analysis of the Financial Accounts, as also from the facts submitted for the consideration of the Supreme Government in G.O., 16th October 1882, No. 2696 W.

45. In conclusion it has to be observed that Mr. Clogstoun, the Accountant-General, has most obligingly devoted much time to the correction and modification of the statements on which this analysis is based, and it is to be hoped that his high authority will give them a weight which they would not otherwise be entitled to.

(Signed) R. H. SANKEY, Colonel, R.E.

18th November 1882.

MEMORANDUM.

THE statements drawn up by Colonel Sankey exhibiting the receipts and expenditure in each Province from the years 1863-64 to 1879-80 have been forwarded to me for verification, and he has invited my remarks in regard to the deductions drawn by him from these figures in a memorandum which he has drawn up with the view of showing that Madras has, in past years, not received for expenditure within its borders so large a percentage of revenue as has been allotted to other Provinces.

2. The figures in the different statements for the years 1st May 1863 to 31st March 1871 agree with those given in Part I of the compilation of the Finance and Revenue Accounts of India for that period. Those for the period 1st April 1871 to 31st March 1880 have been compared with the figures in Part I of the compilation of the Finance and Revenue Accounts of India for the periods 1st April 1871 to 31st March 1879 and 1st April 1872 to 31st March 1880 and are correct.

3. The Government of India point out in paragraph 9 of their letter to the Government of Madras, No. 491, dated 24th January 1882, that the accounts kept in the different Provinces are "varied in their nature and somewhat complex, and that unless all items of difference in system between one and another be in the first place eliminated, no general comparison is possible which will not yield fallacious results."

The plan which Colonel Sankey has adopted of eliminating all items of Imperial receipts and expenditure from the General Accounts, and confining his comparison to the receipts and expenditure of each Province under a limited number of heads, obviates to a great extent the difficulties alluded to by the Government of India.

4. I regret that I have not a sufficient knowledge of the system of account followed in the different Provinces to enable me to certify that the comparison now made is strictly fair. It appears to me, however, to be generally so as far as it goes; but I think the comparison would have been more complete if it had included in the revenues and charges other than Imperial, of each Province, a certain portion of the receipts and expenditure of the Guaranteed Railways within the Province.

There does not seem to be sufficient reason why, in a comparison of the nature of that which it is now proposed to make, Guaranteed Railways should be treated as wholly Imperial, and it is clear that in an account which shows for each Province the receipts and expenditure under Irrigation Works, but omits those under Guaranteed Railways, a Province whose Irrigation Works pay and whose Railways do not, is shown in an unduly favorable light as compared with a Province whose Irrigation Works do not pay but whose railways do.

I am unable to modify the statement by the insertion in them of the Provincial receipts or expenditure under Guaranteed Railways, as I can find no account in which the receipts and expenditure are shown for each Province.

5. In statement I, paragraph 21 of the memorandum, the whole of the Public Works and Administrative charges of the seventeen years are shown under the Provinces in which they were incurred, and an attempt is made to show what each Province would have been granted for its Public Works and Administrative charges if the Net Provincial Revenue had been taken as the basis of the allotment, and the grants had been made in proportion thereto.

I think that to take as the basis of these allotments the Net Provincial Revenue, that is to say, the total receipts of the Province other than what are treated as Imperial items, *minus* the Provincial charges other than Imperial less Public Works expenditure, leads to results which are unduly favorable to those Provinces whose Administrative charges have been low and where consequently the Net Provincial

Revenue is high. Fairer results, I think, are obtained if the rateable distribution of the grants for Administrative heads and Public Works charges are based on the gross "Provincial Revenue" (column E in the enclosure to paragraph 30). I annex below a statement similar to that in paragraph 30 but with the Provincial charges distributed in the manner proposed above.

(Signed) H. F. CLOGSTOUN,
Accountant-General.

21st November 1882.

Provinces.	Total Provincial Revenue 1863-64 to 1879-80 inclusive.	Public Works Charges other than Military.	Provincial Charges other than Public Works.	Public Works Charges distributed ratably to Provincial Revenues, E.	Difference between Column N and (d) showing Loss or Gain.	Provincial Charges H distributed ratably to Provincial Revenues E.	Difference between Column H and (c) showing Loss or Gain.	Total Loss or Gain as shown in Columns (c) and (d).
	E.	N.	H.	(a)	(b)	(c)	(d)	
Central Provinces	16.70	4.09	8.43	3.12	+ .97	6.32	+ 2.11	+ 3.08
British Burma	18.61	4.19	9.10	3.48	+ .71	7.04	+ 2.06	+ 2.77
Bengal	108.47	21.35	43.79	20.28	+ 1.07	41.01	+ 2.78	+ 3.85
North-Western Provinces and Oudh	124.72	15.30	38.75	23.32	- 8.02	47.15	- 8.40	- 16.42
Punjab	49.33	18.95	19.47	9.22	+ 9.73	18.65	+ .82	+ 10.55
Madras	102.65	14.16	34.15	19.19	- 5.03	38.81	- 4.66	- 9.69
Bombay	91.56	17.71	39.91	17.12	+ .59	34.62	+ 5.29	+ 5.88

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

READ—again G.O., dated 9th February 1883, No. 251, Financial.

ABSTRACT.—Communicating to the Public, Revenue, and Judicial Departments of the Secretariat letter, No. 537, dated 30th January 1883, from the Government of India in view to the several proposals made for administrative reforms being reconsidered with reference to the remarks contained in the letter.

ORDER—dated 16th February 1883, No. 369, Financial.

In their letter above recorded, the Government of India review the several proposals of this Government for the improvement of the Provincial administration of the Presidency involving permanent additional expenditure of over twelve lakhs of rupees. They observe that the promise contained in paragraph 5 of their letter, No. 491, dated 24th January 1882, that these proposals would receive prompt and liberal consideration, and would be provided for by an additional grant from Imperial Revenues, was intended to be contingent, not merely on the expressed condition that the proposals of this Government should be prepared with due regard to economy, but also on the ability of the Imperial Revenues to bear additional expenditure with reference to other and pressing claims against those revenues; and, though it is admitted that the claims of the Madras Presidency upon the Imperial Exchequer have not in past years met with that full consideration to which they were intrinsically entitled, it is explained that it would, under no circumstances, be possible for the Supreme Government to supplement the revenues of the Local Government to an extent sufficient to enable them to carry out at once even [those reforms in administration which are admitted to be urgently necessary. In order, however, to meet to some extent the just demands of this Government, the Governor-General in Council has determined to increase the Provincial revenue by two-and-a-half lakhs of rupees for 1883-84 and by five lakhs of rupees for 1884-85 and for each remaining year of the current Provincial contract, i.e., for the following two years, 1885-86 and 1886-87.

2. The Government of India have, moreover, consented to make a lump grant of Rs. 6½ lakhs for the current year in consideration of the financial embarrassment involved by the transfer to Imperial of the Local Fund contribution of Rs. 5,67,000 and by the remission of the Municipal contribution for Police for the current year. As regards the cost involved in the prolongation of the census operations, the Government of India cannot admit that any sufficient case has been made out for relieving the Madras Government of this expenditure.

3. The financial effect of the concessions made may be described as follows.

Credit has already been taken in the regular estimate for the current year for the sum of Rs. 6,50,000, and the opening balance for the ensuing year is expected to amount to Rs. 14,40,567. The estimated receipts for 1883-84 amount to Rs. 2,23,41,100, or Rs. 6,32,100 below the estimated charges, and though the receipts will now be raised by Rs. 2,50,000, the charges will still be nearly four lakhs of rupees above the receipts, the closing balance being Rs. 10,58,467. Even leaving out of consideration the several administrative reforms which it is under contemplation to introduce, should the charges continue to bear the same proportion to the receipts in the three following years, the Provincial Exchequer would, notwithstanding the further five lakhs of rupees to be conceded in each year, find itself placed at the end of the present contract in a position of difficulty.

Opening Balance	Rs.
Receipts	14,40,567
Add amount to be granted	2,23,41,100
	2,50,000
Charges	2,40,31,667
	2,29,73,200
Closing Balance	10,58,467

4. In order, therefore, to enable this Government to carry out in part at least the proposals for the improvement of the Provincial administration of the Presidency, Heads of Departments will be requested to enforce the strictest economy in expenditure under their control, to effect savings wherever possible, and on no account to exceed the budget allotment.

5. The Revenue, Judicial, and Public Departments, to which the Government of India letter has already been referred, will have in view the financial difficulties represented in dealing with the several proposals now under reconsideration.

(True Extract.)

Quater
Chief Secretary.

To the Public Department.

- „ the Judicial
- „ the Revenue
- „ the Military
- „ the Public Works Department. ✓
- „ the Board of Revenue.
- „ all Heads of Departments.

Exd. T. O'Connor.

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Gobt. of (1883) Madras.

FINANCIAL.

NOTE BY THE CHIEF ENGINEER FOR IRRIGATION.

The records of past years show that so long as we have managed the country the condition of the irrigation works, that is tanks and channels such as are now classified as irrigation works for which neither Capital nor Revenue Accounts are kept, has been considered unsatisfactory, and that it has on all sides been considered that larger sums than could be allotted from the revenue should be expended on their maintenance, and that considerable expenditure would be requisite to put them into an efficient state.

2. The subject seems to have been first brought to notice by Sir Arthur Cotton (then Captain A. Cotton) in a letter to the Board of Revenue, dated 13th December 1837, from which the following quotations are made:—

"The irrigation works in general are so far from being in good order that the revenue actually derived from them at present is by no means the full measure of their value.

"The average wet revenue of the Carnatic districts for five years up to Fasli 1244, omitting Tanjore, and adding 3 lakhs of rupees for Chingleput, amounted to Rs. 85 lakhs.

"The wet revenue of the Carnatic, including Tanjore, amounted to Rs. 118 lakhs."

If the irrigation works are put in good order Captain Cotton estimated that the revenue would rise from 85 to 120 lakhs, making total revenue including Tanjore 153 lakhs; he assumes the revenue to be 40 per cent. of the crop, and that the returns in revenue to Government roughly are 20 per cent. on outlay, from which he draws the following conclusions:—

- (1.) The original cost of the irrigation works may be about 825 lakhs of rupees.
- (2.) The annual value of the crop dependent on them, if in good order, would be about 413 lakhs.
- (3.) The annual revenue to Government would be about 165 lakhs.
- (4.) Present actual revenue 118 lakhs.
- (5.) Present total value of annual crop dependent on them, including rent free lands, about 320 lakhs.

Captain Cotton believes that nearly all the tanks in the country and nearly all the channels also, excepting those of Tanjore and the very large ones of other districts, water less lands than they once did, many only one-fourth, and very great numbers from one-half to three-fourths; and he instances several districts in which there has been a considerable falling off of revenue, while "In Tanjore there has been an increase of nearly 40 per cent. of gross produce in thirty years."

He gives the following account of the expenditure on irrigation works:—

Average expenditure of last six years in Tank Department	Rs. 5,30,000
Total revenue dependent on the works at present	„ 1,18,00,000
Expenditure about 5 per cent. on revenue:—	
Revenue which would be derived from works if in good order	„ 1,65,00,000
Expenditure as at present below 4 per cent. on this revenue:—	
Total value of gross produce at present	Rs. 3,20,00,000
Expenditure at present on total annual amount of property about 2 per cent.	
Supposed original cost of works	Rs. 8,25,00,000
Annual expenditure less than 3 per cent.	

He says:—

"In England canals and such works, in which water is retained, require an annual outlay of 3 to 4 per cent., or from four to six times as much as here allowed.

"As the works are so very generally in want of extensive repairs, I am satisfied that a sum double the amount of the present expenditure would be most economically laid out for some years; indeed, I feel sure that if it is desirable to bring the same extent of land under effective irrigation as has been so at times within the last thirty years, it cannot be done with less than an annual expenditure of that sum, viz., 12 lakhs of rupees, at the very least for some years to come.

Issued

Recd.

Encl.

G.O., 16th February 1883, No. 369.

FEBRUARY.

Decentralisation—Provincial Services.

Passing orders on letter from Government of India reviewing the several proposals of this Government for the improvement of the Provincial administration of the Presidency.

With order

Encl. in Receipt Rep.

"I know that there are still numberless works, which if put into an efficient state would most amply repay the outlay. I would further urge an extended expenditure, not only on the ground of policy, but also of justice, the lands that are watered by Government works, are bought and sold in dependence upon the faith of Government that it will keep up a vigilant attention to those works; there are at this moment multitudes of estates that are of one-fourth or one-half the value that they once were, owing to the decayed state of the irrigation works.

"Even in the last twenty years, omitting Tanjore, the land revenue of the watered districts was on the average of five years terminating with—

" Fasli 1214	214 lakhs.
" 1219	216 "
" 1222	203 "
" 1229	215 "

Since when it has regularly declined in fifteen years to 189½ lakhs, being a falling off in that period of 26½ lakhs per annum, more than four times the whole cost of the Tank Department at present.

"It thus appears that in most of the districts there has been an actual, and in many a very considerable falling off, even during the short period of which we have any returns; and as the irrigation has undoubtedly been better attended to for the last ten years than it was twenty years ago, we cannot be mistaken in concluding that it had been declining previous to the period of the returns; and when to this is added the consideration, that almost all the districts when they came under our charge had been in such a state of confusion for some time that all the public works were in a dilapidated state (and the comparison is made with their revenue while in that state) the sad effects of the neglect of the irrigation must be most palpable; for it is certain that instead of the revenue having declined, had the tanks, &c., been put into a state of repair, it would have very greatly increased.

"The expenditure upon the irrigation has certainly not exceeded one-third of what upon the strictest principles of economy it ought to have been."

3. In 1851 a Commission was appointed by Government to inquire into and report upon the system of Public Works in the Presidency. The Commissioners submitted an exhaustive Report in December 1852, quoting largely from Captain A. Cotton's letter above referred to, and printing it in an appendix to their report. They value capital invested in construction of Government works of irrigation at 1,500 lakhs, and state that the annual outlay on works on average of past ten years has been 7 lakhs. Therefore cost of repairs is less than half per cent. on original cost,

or less than 2 per cent. on gross yearly proceeds,

or 4½ per cent. on annual revenue derived by Government.

They state that in the twelve following irrigation districts:—

Bellary,	Salem,
Cuddapah,	Trichinopoly,
Nellore,	Tanjore,
North Arcot,	Coimbatore,
South Arcot,	Madura, and
Chingleput,	Tinnevely,

in Fasli 1259 the ayacut being 2,682,260 acres, and
assessment 1,84,21,555 rupees.

Cultivation in that, a good year, was 1,787,909 acres, assessment Rs. 1,12,89,352, leaving waste no less than 894,351 acres.

"In most districts it appears probable that the whole extent of the ayacut was formerly under cultivation though not all at the same time.

"Making allowance for all disabling causes by a deduction of even as much as one-third of the whole extent entered as irrigated, waste in above districts would amount to 1,262,906 acres."

Further on they state—

"In short all the works in the country, with a few exceptions, are in a state that may be called 'below par,' that is they are below their state of full efficiency, and incapable of effecting their proper amount of irrigation. The tanks are in want of sluices, or such as they have are out of order, or they have no calingulahs, or such as there are are too small or too high, and so the stability of the tank is in danger, or the bank is low or weak, and the ryots are afraid to store a full tank, or their channels of supply have been become choked up and no longer bring a full supply of water, and as to the irrigating channels many of them are in the state described from the want of regulating works at their head; or they have become filled up by deposit, or the river has thrown up a bank in front of them and they get no water; or they have too few outlets for irrigation and the ryots cut through the bank; or the outlets are too large and a vast quantity of water is wasted. Such is unfortunately the description which now applies to a very large proportion of all the works of irrigation throughout the country, with the partial exception of the favored districts of Tanjore and a part of Trichinopoly."

The Committee drew up a list of the works undertaken by Government in the past fourteen years for the improvements of irrigation. Most of them are the larger channels in the districts which show a very considerable return on expenditure; the general results are—

There are thirty-nine works, original cost Rs. 3,22,278. Percentage of yearly net revenue given on first cost—

Thirteen works vary from 259⅓ per cent. to 77⅞ per cent.

Twenty-one " " 47½ " to 7⅞ "

Two works are between 3 and 4 per cent.

Three works are unremunerative.

"It must never be forgotten that for every 100 rupees of revenue so sacrificed a further loss of fully 150 rupees is entailed on the ryots."

On the subject of proposed outlay they say—

"Revenue from land irrigated by Government works amounts to 135 lakhs yearly; add for Inam lands under works which Government are bound to maintain 15 lakhs; total 150 lakhs. The sum now expended annually on repairs is about 7 lakhs of rupees. This would probably be sufficient if the works were once brought into good order, but they are in general much out of repair, and a considerable expenditure is required to bring them to a proper point of efficiency so as to yield a maximum return. We would propose 15 lakhs yearly as the usual expenditure in maintaining existing works and bringing them into an efficient condition, including the furnishing them with proper sluices and calingulahs, improving their sources of supply and other minor and ordinary improvements; 15 lakhs of rupees steadily laid out every year on these objects, under able and judicious direction, would soon produce a marked effect. The proposed expenditure would be 10 per cent. on the present revenue from irrigation, but this rate would be gradually reduced as the effect of the improvement became apparent and as the whole number of works in efficient repair became larger year by year.

"The Native Princes who constructed the works of irrigation subjected every acre of land irrigated to a special cess for the purpose of keeping the works in repairs. After the assumption of the Government by the English, all the items making up the land revenue were consolidated into a single demand, for the most part a fixed sum in money per acre or cawny, the revenue in kind being commuted; these fees are therefore paid to Government on the express condition that the works shall be kept in good repair."

In addition to 15 lakhs to be expended yearly on maintenance and minor works, the Committee propose that 7½ lakhs at least should be annually devoted to the object of extending the benefits of irrigation.

"Thus the whole ordinary and usual sum proposed to be spent yearly on works of irrigation is 22½ lakhs.

"We have been brought to the opinion that the surplus revenue of this Presidency when fairly computed, i.e., the surplus over its own expenditure or over the expenditure of the territories of which it receives the revenue, is much larger than appears under the present mode of making up the Imperial accounts.

"But whether the present surplus of revenue over expenditure be large or small, we would contend against the principle of making the accidental amount of that surplus, the measure of the expenditure on improvements morally certain to produce a large increase of revenue by the legitimate and really beneficial means of augmenting the comfort and the resources of the people."

The Committee recommend that the sum they have fixed for expenditure on irrigation works should be so expended without consideration of the current surplus revenue, that it should be, if necessary, raised by loan, it being the part of true wisdom to borrow money at 5 per cent. which will return directly 20 per cent.

4. In consequence of this report the Public Works Department was, in very much its present shape, organized and entrusted with the maintenance of all irrigation works, and under the new régime all help from the ryots, which under the name of Kudimaramut or customary labor had been enforced while the works were under the Revenue Department, ceased, and the cost of maintenance thrown upon the Government was necessarily enhanced. The new Department not having worked altogether satisfactorily a Committee was, after the lapse of some years, appointed to report on the subject. Their report was submitted in 1870, and in it they say:—

"Evidence shows that the works are not in that state of efficiency in which they require to be placed and that, treating the works as a whole, the expenditure of money on them has not been sufficient.

"Public Works Commissioners in 1851 state the average annual outlay on repairs of irrigation works was 7 lakhs, or 5 per cent. on the revenue then yielded by irrigated land. Adverting to the great increase which has since taken place in the cost of labor and materials, and having

in mind how much State expenditure on irrigation works was at that time supplemented by the co-operation of the ryots, we have no doubt that the average expenditure of late years represents an outturn of work, especially of minor works, far smaller than that executed in former years.

"A percentage of the revenue from irrigation should be devoted to the maintenance of the works, to be treated as a first charge on the revenue. We recommend that this charge be fixed at 8 per cent. on the revenue, and that the sum so obtained be devoted entirely to the maintenance of such of the irrigation works of the several districts as are not otherwise provided for, including under the head of maintenance such minor improvements, the construction of sluices, &c., as may be found requisite for the safety of the works, or for increasing their usefulness.

"Eight per cent. on the revenue, taking the revenue on irrigated lands at 170 lakhs, would give an annual grant of Rs. 13,60,000 for the maintenance of existing works. This sum is less than the grant, viz., 14 lakhs, which for the last two or three years has been annually entered in the budget under the head of Agricultural Repairs, but it is considerably more than has actually been spent on irrigation repairs."

5. Major (now Colonel) Mullins, in a dissent from Commissioner's report, says,

"I concur entirely with the report of the majority in considering that the irrigation works generally are not in that condition of efficiency in which they require to be placed, as also in the opinion that the grants of money for irrigation repairs, have, for a series of years, been altogether inadequate.

"I am of opinion that it will be necessary to allow, for several years to come, a considerably larger outlay (than 8 per cent. on the revenue)."

6. Sir W. Robinson, in a minute attached to the report, says,

"The conviction is thus forced on one that, however faithfully the proposed assignment may in future be apportioned amongst the works needing repair and maintenance, an assignment of 8 per cent., or even a much larger proportion of the gross wet revenue, if spent on the extravagant system now followed, must fail to meet the urgent demands of the country within any reasonable period."

Sir W. Robinson in referring to "the extravagant system" contemplated more being done by the people themselves.

He does not consider that there was any obligation on the State to maintain single-handed the old existing communal agricultural works, or that the consolidated wet revenue demand is a special charge conditional on the supply of State water.

He recommended that minor irrigation works should be classed as grant-in-aid works, that $6\frac{1}{4}$ per cent. (one anna in the rupee) should be assigned as a Local Fund in the district to meet grants-in-aid not exceeding half the estimated cost, for the repair and improvement of any work. The cultivators under the work paying the rest and finding the labor as occasion requires.

7. The Department was after this reorganized, but the result as regards minor irrigation works has not been very satisfactory, no more money being available for them. The next enquiry into the state of these works was made by the Famine Commissioners in 1878 who state as follows:—

"Petty Irrigation Works.—The account given of the condition of these is by no means satisfactory. In former days they were to a great extent maintained by a system of contributed or statutory labor, the Government being held liable only for any considerable work of improvement or restoration, and the ordinary petty yearly repairs being done by the population interested in the irrigation. In 1856-57 the duty of initiating tank repairs was transferred from the Revenue officials to the re-organized Public Works Department without, however, the power which has been enjoyed by the Collector, of enforcing statutory labor. Since that time the ryots have taken less and less part in the maintenance and repair of tanks and channels. On the other hand, the Public Works Department, though spending considerable sums annually in the repair of particular works have not been able to carry out all the necessary restorations; and there are many works which have fallen out of order for want of proper supervision and timely repair.

"There is a general consent that the measures now adopted for the maintenance of the tanks in efficiency are wholly inadequate. The expenditure has been more liberal of late years; but still the Irrigation Department reckon that, in order to make the more important tanks safe in years of ample rainfall, an annual grant three times as great as that hitherto appropriated for this purpose, and a period of 20 years would be necessary. Such a delay in effecting a necessary improvement would be very bad economy. The security of the annual revenue of £700,000, which is dependent on these works, is a matter which the Government cannot be justified in overlooking; and any loss which Government sustains corresponds to far more serious damage inflicted on the agricultural class. The Government ought then, in our opinion, to frame a scheme for putting the tanks into order with as little delay as financial considerations and the arrangements of the administration will permit, and carry it out in a systematic and continuous method till this serious cause of preventible loss has been removed."

8. In an appendix to the Famine Commissioner's Report is a report by the Irrigation Committee appointed under them, in which certain recommendations for the treatment of minor irrigation works are made, which have been approved by Government and are now being carried out. Generally speaking the works are being divided into two classes:—

(1.) Those which irrigate more than 200 acres, which are called "Imperial."

(2.) Those which irrigate less than 200 acres, which are called "Minor."

All works however coming under the second head which from their position affect Government works of any consequence are classed under the first head.

Imperial works are to remain under the charge of the Public Works Department and minor works are temporarily placed under the charge of the Revenue Department, it being intended that subsequently they should be sub-divided into three classes, some of them being entirely handed over to the ryots and others maintained by the ryots in return for a certain remission of revenue. A Kudimaramut Bill has also, in accordance with the recommendations of the Committee, been prepared and submitted to Government, and an Irrigation Law has been drafted. Steps are thus being taken towards better management of the tanks and channels, but from all districts come complaints that the funds allotted for minor irrigation works are insufficient and that the works are generally in bad order.

9. It would thus appear that the condition of the irrigation works in the Presidency is much the same as when Captain A. Cotton reported on them in 1837, but from Statement I appended it appears that the expenditure on the works was considerably increased after 1866-67, the average expenditure of the five years ending—

1851-52 being Rs. 7,79,402

or 7.54 per cent. on the revenue.

For the five years ending 1871-72 being „ 14,12,870

or 12.34 per cent. on the revenue.

For the five years ending 1876-77 being „ 11,53,426

or 10.54 per cent. on the revenue.

The average revenue for these periods being—

Rs. 1,03,42,713

„ 1,14,50,543

„ 1,09,40,747

and the reports of late years show that latterly—

194 tanks * have been put in good order,

* From 1874-75 to 1881-82.

1,289 sluices * have been built,

1,139 weirs * have been constructed.

Statement II shows the grants that have been made for the past six years for Original Works and Repairs, and it will be seen that while the annual grant for repairs varies from a little over 6 lakhs to nearly 9 lakhs, from $2\frac{1}{4}$ to $3\frac{1}{4}$ lakhs were allotted annually for Original Works.

Statement III shows the expenditure on Agricultural Works, under which head are classed River Embankments, River Conservancy, Drainage, &c., for a series of years, and proves that while the improvement of tanks and channels have received attention, a considerable proportion of the available funds has been expended on these essential works.

Before the famine, steps were taken under the direction of the Chief Engineer for Irrigation to group the tanks and channels in all districts, that is, to ascertain the circumstances of each individual work with reference to those lying above and below it in each drainage basin, and to note the requirements. The progress made in this work is as follows:—

	Area.	Revenue.
Works grouped	392,697	18,94,654
Works to be grouped	2,413,021	70,92,836
	<u>2,805,718</u>	<u>89,87,490</u>

This necessary work was interrupted by the famine, and the subsequent reduction of establishment in the Department prevented it being again taken up, and latterly the time that would have been occupied on this work has been taken up in classifying the

works as Imperial and Minor. When this classification has been finally completed, which it is anticipated it will be very shortly, it is proposed to take up the subject of the future maintenance of minor irrigation works specially, and to this end the evidence taken before the last Committee appointed by the Madras Government to consider the subject has been abstracted and the opinions of selected officers are being collected. Until this is done the expression of my individual opinion would be premature, and it need only be said that the subject must ere long be definitely disposed of.

10. Meanwhile, although full enquiry into the circumstances of each individual work is necessary to allow of money being economically expended, there are many works whose requirements have been ascertained, but not yet attended to, and many minor works on which to prevent risk of loss to Government and the cultivators, repairs of a nature not requiring scientific superintendence, are emergently required, and on these works a larger annual grant than is now made can be usefully expended.

11. The work to be done must be classed under two heads.—

(1.) Bringing each work up to the standard of efficiency and providing proper weirs and sluices.

(2.) Maintenance of works already brought up to the standard.

The first of these will bear no relation to the revenue, in many cases it will mean simply restoration, but in the case of most works it will be a work of improvement; the majority of the smaller tanks have never been provided with efficient weirs and in very many instances water has been drawn from the tanks by cuts through the banks or by rough sluices of hollow trees which are a continued source of danger to the works. In these cases the work to be done would be classified as "Extensions and improvements."

Under the second head "Maintenance," which must be understood to mean ordinary repairs which the ryots cannot perform, the expenditure should, it is thought, be a certain percentage of the revenue, and here we have the opinions of the Committees and individuals above noted for guidance. Starting with that of Sir A. Cotton we have the statement that works in which water is retained require an annual outlay of 3 to 4 per cent. on the cost of the works. The Committee of 1852 state that 10 per cent. on the revenue should be expended on maintenance and improvement. The Committee of 1870 considered that 8 per cent. on the revenue should be expended on maintenance including minor improvements. Major (now Colonel) Mullins considered that a much larger outlay than 8 per cent. on the revenue would be required for many years and Sir W. Robinson proposed $6\frac{1}{4}$ per cent. (one anna in the rupee) on the revenue only as a grant-in-aid. If we suppose the total assessment, including second crop, to average 6 rupees per acre, 8 per cent. on the revenue would approximate to a charge of 8 annas per acre, and here perhaps may be a guide in settling the charge. The cost of maintenance on the principal systems of irrigation is as follows:—

Godavari Delta $4\frac{1}{2}$ annas per acre.	Srivaikuntham Anicut $11\frac{1}{2}$ annas per acre.
Kistna " 8 " "	Palar " $4\frac{1}{2}$ " "
Pennér Anicut 5 " "	Chembrambakam Tank $3\frac{1}{2}$ " "

These works have the advantage of being concentrated, and under an efficient establishment, so that in the case of scattered works, many of which cannot be under the immediate eye of the permanent establishment, it does not appear unreasonable to allow a maintenance charge of 8 annas per acre, which on existing cultivation (say 2,500,000 acres) would amount to an annual grant of Rs. 12,50,000.

12. Returning now to the first head of proposed expenditure, "bringing each work up to the standard of efficiency," it is extremely difficult to estimate the cost of the work to be done, but taking the Report of Famine Commission, which quotes the opinion of the "Irrigation Department" as a guide, we find it is estimated that an expenditure of three times the annual grant hitherto appropriated will be necessary for twenty years. The annual expenditure (average of five years before the famine) was in round numbers Rs. 11,50,000, so that the proposed annual grant amounted to Rs. 34,50,000; this sum was of course to include the cost of maintenance, so that if we deduct 8 annas per acre for maintenance, the balance, Rs. 22,00,000, represents the sum which should be annually available for expenditure on "Restoration" or "Extensions and Improvements." In twenty years this would amount to 440 lakhs, or adding one-fourth for Establishment and Tools and Plant to 550 lakhs. In the Note by the Chief Engineer for Irrigation, printed with G.O., No. 685 I., 11th October 1881, copy

of which was forwarded to the Government of India, it is stated that 65 lakhs will be required to furnish tanks and channels with requisite masonry works and for minor miscellaneous improvements, but it may be noticed that this does not include the work that would be necessary to bring the tanks to a proper standard of efficiency.

13. As to the return to be expected from this expenditure, it is necessary to refer to a statement printed with letter No. 2696 W., dated 16th October 1882, from the Madras Government to the Government of India. Here it is shown that under the class of works now being treated of—

The ayacut was	...	...	...	...	...	...	Acres	5,190,000
The assessment was	...	...	...	...	...	...	Rs.	2,48,20,000

but that in consequence of the bad condition of the works the aggregate losses each year, in the opinion of the Revenue officers of Government, amount to not less than 40 lakhs. The ayacut is supposed to be the irrigable area under the work, but there are many cases where the ayacut includes land which in its present state cannot be irrigated and possibly never may be irrigated. It is true that if each work were brought up to its original irrigating capacity, though some of the ayacut might remain uncultivated, other waste lands not included in the ayacut might be irrigated, and it may be reasonable to set off the one against the other. Here then is the return to be expected from the outlay as given above, it amounts to 7·2 per cent.

14. The question now arises, how the money required can be expended, and it is necessary to call attention to the fact that to avoid loss by wasteful expenditure a considerable sum must be spent on "preliminary expenses." The grouping must be completed. As each group is worked out, and the circumstances of every individual tank in it ascertained, work can then be taken up without waiting for the grouping in each district or division to be completed, but the first thing to be done is to put on an establishment to deal with the grouping. The permanent establishment is not sufficiently strong to deal with it, and also to carry out works on any extended scale. The subject of the future management of minor irrigation works must be connected with the work of grouping, because the determination of what tanks should be abandoned, and what tanks can be handed over to the ryots without risk to other interests, depends on the investigation of the circumstances of each work.

The proposal that has been made to constitute tank divisions seems on the whole to be the best way of dealing with the subject, and it has this advantage that the working may be extended by the constitution of more divisions. It is in the first instance essential that work should be started on a proper footing, and though the tank divisions would work under the Superintending Engineers, it does not seem advisable, owing to the different number and condition of the works in each civil district, simply to give each Superintending Engineer a new division and let him commence work in his own way. An officer of some experience should be appointed to start the work, as at first the settlement of the question of the future management of the smaller tanks would claim considerable attention, but once the work was started on a proper footing and a decision come to as to the management of the smaller works, he might be withdrawn and the divisions left to the Superintending Engineer. It may also be desirable to appoint an Executive Engineer as Assistant to the Chief Engineer for Irrigation for a time. These would be special appointments, and would, with establishment, cost about Rs. 24,000 a year.

The cost of one tank division would be Rs. 32,000, and as considering the works are much scattered a large sum cannot be expended by each division in carrying out work, it is probable that $1\frac{1}{2}$ lakhs per annum would be the expenditure including establishment and tools and plant of each division. If the work is begun next year, one division might be started, and $1\frac{1}{2}$ lakhs would be required, the following year two divisions, and so on, as men were available, till at least one division would be working in each circle, and the expenditure would then be $9\frac{1}{4}$ lakhs or, as the special officers might by that time be withdrawn, to 9 lakhs. An annual expenditure of 10 lakhs would make the work last fifty-five years, and although tank divisions might be increased to almost any extent yet there seems no hope of bringing the works up to the proper standard of efficiency in a short time, and when we find twenty years spoken of as an unreasonable time to be occupied on it, it can only be supposed that the magnitude of the work has not been fully considered. If work is

taken up as proposed, the following is a rough forecast of the expenditure necessary in the next five years:—

									Improvements to Irrigation Works. LAKHS OF RS.
1883-84	...	...	...	...	...	...	...	...	1.5
1884-85	...	...	...	...	...	...	...	...	3
1885-86	...	...	...	...	...	...	...	...	4.5
1886-87	...	...	...	...	...	...	...	...	7
1887-88	...	...	...	...	...	...	...	...	10

This expenditure is to be incurred solely on the work to be undertaken by the tank divisions, until they are working properly. Works of maintenance and improvement must be carried out, as they are at present, imperfectly, by the permanent establishment. In the fourth year probably all works of improvement will be taken up by the tank divisions, and then the budget should provide, under Ordinary Irrigation and Navigation Works, 7 lakhs for Improvements to Irrigation Works; Maintenance at 8 annas per acre, (say) $12\frac{1}{2}$ lakhs, and Agricultural Works 4 lakhs; total $23\frac{1}{2}$ lakhs—to be increased the following year to $28\frac{1}{2}$ lakhs.

27th November 1882.

(Signed) J. O. HASTED, Colonel, R.E.,
Ag. Chief Engineer for Irrigation.

I.

STATEMENT showing the Total Area irrigated under, the Revenue derived from, and Outlay incurred on, Irrigation and Navigation Works for which neither Capital nor Revenue Accounts are kept in all the Districts of the Madras Presidency for 35 years from 1847-48 to 1881-82.

Years.	AREA IRRIGATED.		Revenue.	Outlay.	AVERAGE FOR FIVE YEARS.			Remarks.		
	Zemindari and Inam.				Government.	Zemindari and Inam.	Revenue.		Outlay.	Percentage of Outlay on Revenue.
	RS.	RS.								
1847-48	14,70,536	RS. 1,05,34,173	RS. 10,30,546	..	..	..	..	..	* Includes famine expenditure in 1866-67 and 1867-68. Public Works Establishment was reduced. Famine funds on the Palkar anicut channels erroneously debited to this head in 1878-79 was written back during the year.	
1848-49	15,22,315	..	7,35,465	..	..	..	..	..		
1849-50	14,50,308	..	6,14,143	..	..	..	..	..		
1850-51	15,52,009	..	95,38,470	..	..	1,03,42,713	7,79,402	7.64		
1851-52	15,68,714	..	1,02,42,763	..	15,16,776	..	..	..		
1852-53	17,14,197	..	1,13,03,646	..	..	..	..	..		
1853-54	15,94,979	..	1,20,87,102	..	..	..	..	..		
1854-55	16,16,077	..	1,19,19,669	..	..	..	..	..		
1855-56	16,07,113	..	1,17,26,498	..	..	..	..	..		
1856-57	16,77,076	..	1,27,37,307	..	16,41,838	..	..	..		
1857-58	15,60,510	..	1,26,59,048	..	..	1,22,26,925	..	..		
1858-59	17,35,405	..	1,26,52,642	..	..	..	..	..		
1859-60	17,55,568	..	1,43,80,514	..	..	..	..	..		
1860-61	18,22,719	..	1,17,44,407	..	..	..	..	..		
1861-62	19,53,249	..	1,11,88,920	..	17,31,990	..	9,80,185	7.94		
1862-63	19,35,007	..	1,17,32,628	..	..	..	..	..		
1863-64	18,38,901	..	1,21,97,313	..	..	..	..	..		
1864-65	20,19,648	..	1,17,57,392	..	..	..	..	..		
1865-66	21,02,641	..	1,11,41,000	..	..	..	7,32,242	6.22		
1866-67	18,86,179	..	1,17,39,503	..	19,15,889	..	..	..		
1867-68	19,56,063	..	1,20,36,978	..	..	..	..	..		
1868-69	19,63,278	..	1,10,39,761	..	..	..	..	..		
1869-70	20,42,968	..	1,14,71,294	..	..	..	..	..		
1870-71	22,99,555	..	1,14,63,203	..	..	..	..	..		
1871-72	24,46,645	4,39,985	1,18,96,310	..	20,29,608	1,14,50,543	14,12,870	12.34		
1872-73	23,93,862	3,33,400	1,12,83,150	..	..	..	..	..		
1873-74	21,67,302	2,49,363	1,17,27,801	..	..	..	..	..		
1874-75	22,94,096	2,49,363	1,10,36,160	..	..	..	..	..		
1875-76	24,01,710	9,20,782	1,33,80,398	..	..	..	..	..		
1876-77	25,17,670	7,94,344	1,10,57,875	..	..	..	..	..		
1877-78	25,17,670	7,19,019	1,19,92,215	..	22,36,887	1,09,40,747	11,55,426	10.54		
1878-79	25,13,870	7,78,363	1,20,01,671	..	..	..	..	..		
1879-80	25,11,835	7,37,866	1,21,35,092	..	..	..	..	..		
1880-81	..	8,87,579	..	4,11,009	..	..	..	..		

* Includes famine expenditure in 1866-67 and 1867-68.

Public Works Establishment was reduced. Value of work done from Famine funds on the Palar ancient channels erroneously debited to this head in 1878-79 was written back during the year.

II.

STATEMENT of Grants for Irrigation and Navigation Works for which neither Capital nor Revenue Accounts are kept, from 1876-77 to 1881-82.

Districts.	1881-82.		1880-81.		1879-80.		1878-79.		1877-78.		1876-77.	
	Original Works.	Repairs.	Original Works.	Repairs.	Original Works.	Repairs.	Original Works.	Repairs.	Original Works.	Repairs.	Original Works.	Repairs.
Ganjam ..	RS. 5,000	30,000	RS. 10,000	4,000	RS. 30,000	4,500	RS. 19,820	4,500	RS. 17,000	3,000	RS. 29,000	29,000
Vizagapatam ..	..	..	..	..	..	..	..	..	..	..	..	..
Godavari ..	..	..	..	..	..	..	..	..	..	..	..	..
Kistna ..	..	..	..	..	..	..	..	..	..	..	..	..
Nellore ..	..	..	..	..	..	..	..	..	..	..	..	..
Cuddapah ..	..	..	..	..	..	..	..	..	..	..	..	..
Kurnool ..	..	..	..	..	..	..	..	..	..	..	..	..
Chingleput ..	..	..	..	..	..	..	..	..	..	..	..	..
North Arcot ..	..	..	..	..	..	..	..	..	..	..	..	..
South do. ..	..	..	..	..	..	..	..	..	..	..	..	..
Salem ..	..	..	..	..	..	..	..	..	..	..	..	..
Coimbatore ..	..	..	..	..	..	..	..	..	..	..	..	..
Tanjore ..	..	..	..	..	..	..	..	..	..	..	..	..
Trichinopoly ..	..	..	..	..	..	..	..	..	..	..	..	..
Madura ..	..	..	..	..	..	..	..	..	..	..	..	..
Tinnevely ..	..	..	..	..	..	..	..	..	..	..	..	..
Reserve ..	..	..	..	..	..	..	..	..	..	..	..	..
Total ..	2,26,276	6,25,000	6,17,000	1,91,287	8,20,710	2,04,816	8,95,050	2,84,149	8,04,410	3,21,392	8,12,200	8,12,200

III.
STATEMENT showing Outlay on Agricultural Works incurred from 1863-64 to 1881-82.

Districts.	1863-64.		1864-1865.		1865-66.		1866-67.		1868-69.		1875-76.		1876-77.		1877-78.		1878-79.		1879-80.		1880-81.		1881-82.	
	Original Works.	Repairs.	Original Works.	Repairs.	Original Works.	Repairs.	Original Works.	Repairs.	Original Works.	Repairs.	Original Works.	Repairs.	Original Works.	Repairs.	Original Works.	Repairs.	Original Works.	Repairs.	Original Works.	Repairs.	Original Works.	Repairs.	Original Works.	Repairs.
Ganjam ..	RS. 1,235	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Vizagapatam ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Godavari ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Kistna ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Nellore ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Cuddapah ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Belary ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Kurnool ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Chingleput ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
North Arcot ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
South do. ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Salem ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Coimbatore ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Tanjore ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Trichinopoly ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Madura ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Tinnevely ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Total ..	1,235	..	3,885	..	6,077	..	15,645	..	274	..	52,226	2,59,266	81,550	2,17,773	50,927	2,11,377	12,629	1,59,805	36,190	1,25,512	63,950	1,50,501	1,06,031	1,55,982

11TH DECEMBER 1882, No. 3272 W., PUBLIC WORKS.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Buildings and Roads.
Civil Works.

No. 67.

READ—the following paper :—

Note by the Chief Engineer for Irrigation, dated 27th November 1882.

No. 68.

ORDER—dated 11th December 1882, No. 3272 W., Public Works.

Ordered that the following letter be addressed to the Government of India :—

(Here enter No. 3273 W., dated 11th December 1882.)

(True Extract.)

(Signed) R. H. SANKEY, Colonel, R.E.,
Secretary to Govt., P.W.D.

To the Chief Engineer for Irrigation, with copy of letter.

Exd. J. W. Fischer.
Spare Copies

BUILDINGS AND ROADS.
CIVIL WORKS.

Gobt. of {1882} Madras.
PUBLIC WORKS.

Dated December, 11th.

Recd.

Encl.

G.O., 11th Dec. 1882, No. 3272 W.

DECEMBER.

Nos. 67-68.

**Minor Irrigation Works of the
Madras Presidency.**

*Proposals for dealing in a comprehensive
manner with the —.*

11TH DECEMBER 1882, No. 3273 W., PUBLIC WORKS.

PUBLIC WORKS DEPARTMENT.

**Buildings and Roads.
Civil Works.**

No. 69.

LETTER—from

COLONEL R. H. SANKEY, R.E., C.B.,

Secretary to Government, Public Works Department, Madras,

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,

PUBLIC WORKS DEPARTMENT.

SIR,

From previous correspondence and particularly from the observation contained in paragraph 29 of my letter, No. 2696 W., dated 16th October 1882, the Government of India has been made aware that His Excellency the Governor in Council had in contemplation the submission of definite proposals for dealing in a comprehensive manner with the Minor Irrigation Works of this Presidency, the unsatisfactory condition of which has long been a source of anxiety to this Government and has attracted the serious attention of the Famine Commission; and, as the means of dealing with the question mainly depends on financial considerations, the opportunity was taken of the presence of the Hon. Major Baring to discuss its bearings in this aspect.

2. With this particular object the accompanying Note, dated 27th November, was drawn up by the Chief Engineer for Irrigation and its subject discussed with the Finance Minister, who expressed himself prepared to accept generally the proposals therein put forward as regards the provision of funds.

3. Under the assumption that these arrangements will receive the formal sanction of the Government of India, the effect will be to add 1½ lakhs to the provision of Rs. 18,28,300 already made under No. 33, *Irrigation and Navigation*, in the lately-received Budget Orders (No. 136 A.I., dated 13th November 1882,) for 1883-84, and that, until the termination of the Provincial Contract in 1886-87, the successive increments of 3 lakhs in 1884-85, 4.5 lakhs in 1885-86, and 7 lakhs in 1886-87, as laid down in the last paragraph of Colonel Hasted's note, will be provided for.

4. But it is needless to observe that the question at issue cannot be confined to merely granting supplies, and that of even greater importance is the provision of an efficient establishment; in regard to this point, therefore, I am desirous to offer the following observations.

5. Colonel Hasted's general proposals in this respect are contained in paragraph 14 of his Note. He would entrust the starting of the work to a selected officer of experience in the grade of Superintending Engineer, and considers it necessary that an Executive Engineer should be appointed as Special Assistant to the Chief Engineer. Both of these appointments would be temporary, the first probably lasting for one year and the second for two years.

6. The permanent staff of the department would at the same time have to be increased so as to admit of a tank division being added each year in succession till

the limit of one such division in each Superintending Engineer's Circle has been ultimately reached, or in all six for the Presidency.

7. From among the officers now returning from special leave and furlough the Government hopes to be in a position to make at least two suitable selections for the senior officers' posts in this scheme; but as some difficulty is apprehended regarding the supply of officers for the remainder of the staff, and as the details have not as yet been fully matured, His Excellency in Council desires that this portion of the proposals may be deferred for discussion with Colonel Brownlow (Inspector-General of Irrigation Works), who is looked for here next month.

8. At the same time I am to observe that, in view to giving effect to the scheme in 1883-84, it is proposed to appoint the selected Superintending Engineer at once on his return from special furlough in about a month, and to provide for the whole of the proposed establishment in the budget for next official year, the proviso being that the cost of the establishment *plus* works shall not exceed the 1½ lakhs which the Finance Minister has expressed himself prepared to accept.

I have the honor to be,

Sir,

Your most obedient servant,

(Signed) R. H. SANKEY, Colonel, R.E.,
Secretary to Govt., P.W.D.

FORT ST. GEORGE,
11th December 1882.

Exd. J. W. Fischer.
Spare Copies

BUILDINGS AND ROADS.
CIVIL WORKS.

Govt. of (1882) Madras
PUBLIC WORKS.

Dated December, 11th.

Recd.

Encl.

G.O., 11th Dec. 1882, No. 3273 W.

DECEMBER.

No. 69.

**Minor Irrigation Works of the
Madras Presidency.**

PROPOSALS for dealing in a comprehensive
manner with the —.

16TH FEBRUARY 1883, No. 369, FINANCIAL.

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

READ—again G.O., dated 9th February 1883, No. 251, Financial.

ABSTRACT.—Communicating to the Public, Revenue, and Judicial Departments of the Secretariat letter, No. 537, dated 30th January 1883, from the Government of India in view to the several proposals made for administrative reforms being reconsidered with reference to the remarks contained in the letter.

ORDER—dated 16th February 1883, No. 369, Financial.

In their letter above recorded, the Government of India review the several proposals of this Government for the improvement of the Provincial administration of the Presidency involving permanent additional expenditure of over twelve lakhs of rupees. They observe that the promise contained in paragraph 5 of their letter, No. 491, dated 24th January 1882, that these proposals would receive prompt and liberal consideration, and would be provided for by an additional grant from Imperial Revenues, was intended to be contingent, not merely on the expressed condition that the proposals of this Government should be prepared with due regard to economy, but also on the ability of the Imperial Revenues to bear additional expenditure with reference to other and pressing claims against those revenues; and, though it is admitted that the claims of the Madras Presidency upon the Imperial Exchequer have not in past years met with that full consideration to which they were intrinsically entitled, it is explained that it would, under no circumstances, be possible for the Supreme Government to supplement the revenues of the Local Government to an extent sufficient to enable them to carry out at once even those reforms in administration which are admitted to be urgently necessary. In order, however, to meet to some extent the just demands of this Government, the Governor-General in Council has determined to increase the Provincial revenue by two-and-a-half lakhs of rupees for 1883-84 and by five lakhs of rupees for 1884-85 and for each remaining year of the current Provincial contract, *i.e.*, for the following two years, 1885-86 and 1886-87.

2. The Government of India have, moreover, consented to make a lump grant of Rs. 6½ lakhs for the current year in consideration of the financial embarrassment involved by the transfer to Imperial of the Local Fund contribution of Rs. 5,67,000 and by the remission of the Municipal contribution for Police for the current year. As regards the cost involved in the prolongation of the census operations, the Government of India cannot admit that any sufficient case has been made out for relieving the Madras Government of this expenditure.

3. The financial effect of the concessions made may be described as follows.

Credit has already been taken in the regular estimate for the current year for the sum of Rs. 6,50,000, and the opening balance for the ensuing year is expected to amount to Rs. 14,40,567. The estimated receipts for 1883-84 amount to Rs. 2,23,41,100, or Rs. 6,32,100 below the estimated charges, and though the receipts will now be raised by Rs. 2,50,000, the charges will still be nearly four lakhs of rupees above the receipts, the closing balance being Rs. 10,58,467. Even leaving out of consideration the several administrative reforms which it is under

contemplation to introduce, should the charges continue to bear the same proportion to the receipts in the three following years, the Provincial Exchequer would, notwithstanding the further five lakhs of rupees to be conceded in each year, find itself placed at the end of the present contract in a position of difficulty.

4. In order, therefore, to enable this Government to carry out in part at least the proposals for the improvement of the Provincial administration of the Presidency, Heads of Departments will be requested to enforce the strictest economy in expenditure under their control, to effect savings wherever possible, and on no account to exceed the budget allotment.

5. The Revenue, Judicial, and Public Departments, to which the Government of India letter has already been referred, will have in view the financial difficulties represented in dealing with the several proposals now under reconsideration.

(True Extract.)

C. G. MASTER,
Chief Secretary.

To the Public Department.
„ the Judicial „
„ the Revenue „
„ the Military „
„ the Public Works Department.
„ the Board of Revenue.
„ all Heads of Departments.

Govt. of (1883) Madras.

FINANCIAL.

Issued

Recd.

Encl.

G.O., 16th February 1883, No. 369.

FEBRUARY.

**Decentralisation—Provincial
Services.**

Passing orders on letter from Government of India reviewing the several proposals of this Government for the improvement of the Provincial administration of the Presidency.

16TH FEBRUARY 1883, No. 369, FINANCIAL.

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

READ—again G.O., dated 9th February 1883, No. 251, Financial.

ABSTRACT.—Communicating to the Public, Revenue, and Judicial Departments of the Secretariat letter, No. 537, dated 30th January 1883, from the Government of India in view to the several proposals made for administrative reforms being reconsidered with reference to the remarks contained in the letter.

ORDER—dated 16th February 1883, No. 369, Financial.

In their letter above recorded, the Government of India review the several proposals of this Government for the improvement of the Provincial administration of the Presidency involving permanent additional expenditure of over twelve lakhs of rupees. They observe that the promise contained in paragraph 5 of their letter, No. 491, dated 24th January 1882, that these proposals would receive prompt and liberal consideration, and would be provided for by an additional grant from Imperial Revenues, was intended to be contingent, not merely on the expressed condition that the proposals of this Government should be prepared with due regard to economy, but also on the ability of the Imperial Revenues to bear additional expenditure with reference to other and pressing claims against those revenues; and, though it is admitted that the claims of the Madras Presidency upon the Imperial Exchequer have not in past years met with that full consideration to which they were intrinsically entitled, it is explained that it would, under no circumstances, be possible for the Supreme Government to supplement the revenues of the Local Government to an extent sufficient to enable them to carry out at once even those reforms in administration which are admitted to be urgently necessary. In order, however, to meet to some extent the just demands of this Government, the Governor-General in Council has determined to increase the Provincial revenue by two-and-a-half lakhs of rupees for 1883-84 and by five lakhs of rupees for 1884-85 and for each remaining year of the current Provincial contract, *i.e.*, for the following two years, 1885-86 and 1886-87.

2. The Government of India have, moreover, consented to make a lump grant of Rs. 6½ lakhs for the current year in consideration of the financial embarrassment involved by the transfer to Imperial of the Local Fund contribution of Rs. 5,67,000 and by the remission of the Municipal contribution for Police for the current year. As regards the cost involved in the prolongation of the census operations, the Government of India cannot admit that any sufficient case has been made out for relieving the Madras Government of this expenditure.

3. The financial effect of the concessions made may be described as follows.

Credit has already been taken in the regular estimate for the current year for the sum of Rs. 6,50,000, and the opening balance for the ensuing year is expected to amount to Rs. 14,40,567. The estimated receipts for 1883-84 amount to Rs. 2,23,41,100, or Rs. 6,32,100 below the estimated charges, and though the receipts will now be raised by Rs. 2,50,000, the charges will still be nearly four lakhs of rupees above the receipts, the closing balance being Rs. 10,58,467. Even leaving out of consideration the several administrative reforms which it is under

G.O., No. 131, dated 22nd January 1883.

Estimate for 1883-84.

	RS.
Opening Balance	14,40,567
Receipts	2,23,41,100
Add amount to be granted ..	2,50,000
	2,40,31,667
Charges	2,29,73,200
	10,58,467
Closing Balance	10,58,467

contemplation to introduce, should the charges continue to bear the same proportion to the receipts in the three following years, the Provincial Exchequer would, notwithstanding the further five lakhs of rupees to be conceded in each year, find itself placed at the end of the present contract in a position of difficulty.

4. In order, therefore, to enable this Government to carry out in part at least the proposals for the improvement of the Provincial administration of the Presidency, Heads of Departments will be requested to enforce the strictest economy in expenditure under their control, to effect savings wherever possible, and on no account to exceed the budget allotment.

5. The Revenue, Judicial, and Public Departments, to which the Government of India letter has already been referred, will have in view the financial difficulties represented in dealing with the several proposals now under reconsideration.

(True Extract.)

C. G. MASTER,
Chief Secretary.

To the Public Department.

„ the Judicial „
„ the Revenue „
„ the Military „
„ the Public Works Department.
„ the Board of Revenue.
„ all Heads of Departments.

Exd. T. O'Connor.

Govt. of {1883} Madras.

FINANCIAL.

Issued

Recd.

Encl.

G.O., 16th February 1883, No. 369.

B/2632 wd 27/2/83

FEBRUARY.

**Decentralisation—Provincial
Services.**

Passing orders on letter from Government of India reviewing the several proposals of this Government for the improvement of the Provincial administration of the Presidency.