

GOVERNMENT OF MADRAS.

LOCAL AND MUNICIPAL DEPARTMENT.

READ—the following paper :—

Extract from the Proceedings of the Government of India, Home Department (Public), under date Calcutta, the 10th February 1888, No. 10—272-84.

Read—

Note B 55 by the Finance Committee on the amalgamation of Provincial and Local Establishment for Public Works.

Resolution—

Local Governments have been already made aware by the copies of the Note B 55 of the Finance Committee which were circulated for an expression of opinion that the Committee took up at considerable length the question of expense caused by the maintenance of double establishments for that class of public works which are known as Civil Buildings, Roads, and other Services.

2. It has been stated that the immediate effect of the introduction of the scheme of local self-government was in many places to promote the creation of dual establishments for such works, by setting up establishments under the control of the Local Boards for the execution of works handed over to those Boards, as distinct from the Public Works establishments retained for those works which remained under the control of the Government.

It was contemplated, however, that by degrees most of these works would be handed over entirely to the Local Boards, and the double establishments thus be saved.* This result is in most provinces

* Resolution in the Home Department, No. 17— far from being yet reached: in some the transfer has hardly begun, in others it has made considerable progress; and it is

in the latter that the additional expense caused by the double establishment is most marked. The method, moreover, in which the transfer is being carried out differs in the several provinces; so that it would be impossible, during this period of transition, to lay down one rule for economising establishments which would apply to all. Thus in one province, work is still carried out for the Boards by the Public Works establishment, which acts quite independently of them, after having once taken over the works; in another, the Public Works establishment has been made over for the use of the Boards, although not entirely subordinated to them, and carries out Local as well as Provincial works; in a third, a portion of the establishment has been lent to the Boards, which are otherwise independent as regards the works transferred to them, but are subject to the direction and the system of accounts of the Public Works Department, while a separate establishment at the same time carries out Provincial and Imperial works; in another, the works handed over to the Boards have been practically taken out of the hands of the Public Works establishment,

which only carries out Provincial and Imperial works. It is in the last class that the dualisation of the establishments has been most complete, and that the expense is most marked. The reason of this is that the Public Works establishment has to look after Provincial or Imperial works scattered amongst local works over a very wide extent of country, and consequently the cost of establishment bears a very high proportion to the outlay on works and repairs.

3. The majority of the Finance Committee, observing the expense caused by the double agency during the period of transition, recommended that some arrangement should be entered into for amalgamating the establishments, and their recommendations are clearly in the direction of again placing the execution of the works wholly under the Public Works organisation. The Governor-General in Council, however, while opposed to any measures of compulsion in the direction indicated, is of opinion that the complete amalgamation of Provincial and Local establishments is in itself undesirable, and would in practice be productive of inefficiency. At the same time, he agrees that double establishments are a disadvantage, both to the Local Boards themselves and to the Government, in cases where the quantity of work is not sufficient to fully employ both. It is incumbent upon the Government to see that money, whether raised by local rates or by general taxation, is economically spent. The supervision of local works by Local Boards is a valuable means to this end, but Local Governments should, as far as may be consistent with the duties and position assigned to these Boards, prevent the division of work from giving rise to the necessity for two independent sets of establishments. The methods adopted to mitigate the evil must vary according to circumstances, and with reference to the local conditions, which differ considerably as indicated in paragraph 2, but the general principle to be adopted should be that all important works should be carried out by professional Engineers in order to secure sound engineering, while Local Boards should be left to entertain their own petty establishments for executing repairs and minor works of construction. The system introduced should, however, be to some extent elastic, and the alteration in existing arrangements should be moderate and well considered. Acting on this principle the measure to be taken in some provinces should be in the direction of encouraging Local Boards to hand over the execution of works to the Public Works Department by making a very moderate charge for supervision, while retaining in their own hands full discretion in the selection of works to be carried out. In other provinces, where works on a considerable scale are being successfully carried out by the Local Boards, the measures should be in the direction of transferring more, until all this class of work is handed over to the Boards, and the retention of the Public Works establishment for it, except for purposes of Government control, becomes unnecessary. In short, any opportunities for amalgamation and for abandonment of the present dual system should be embraced by either transfer of Provincial to Local or the reverse whenever such transfer would not conflict with the principles thus laid down. At the same time, precautions must be taken against the exercise upon the Boards of pressure incompatible with the policy of local self-government, against the exaction of excessive percentages for local work done by the Public Works establishment, and against any manifestation by Public Works officers of a disposition to treat the wishes of the Boards otherwise than in a tolerant and conciliatory spirit.

4. The Governor-General in Council is further of opinion that in any cases in which Provincial or Imperial works are handed over to be carried out by the Local Boards establishment, the transfer should be made subject to a guarantee that the expenditure is to be accounted for in Public Works forms, and audited by Public Works Examiners. There has been considerable correspondence on this subject from time to time between the Government of India and the Governments of the Punjab and of Assam; and in both these cases the result has been that the Public Works system of accounts has been insisted on, as essential for the Public Works outlay of the Boards, subject to such modifications as may be approved to meet local requirements. Generally, it may be said that the following extracts paragraphs 1—4 of a letter, No. 308 A.G., dated 30th December 1884, to the Government of the Punjab, express the wishes of the Government of India in this matter :—

"I am directed to acknowledge the receipt of your No. 759 of 15th March 1884, under which was forwarded a copy of the Notification quoted in the margin, prescribing general rules for the guidance of District and Local Boards, in which sanction was solicited to certain proposed alterations in the procedure for the supply of funds for, and audit of, accounts of Public Works entrusted to the Boards.

No. 528½, dated 26th February 1884.

sanction was solicited to certain proposed alterations in the procedure for the supply of funds for, and audit of, accounts of Public Works entrusted to the Boards.

"2. In reply, I am to observe that, in the opinion of the Government of India, the decentralization of control does not call for such important changes in these matters as the procedure laid down in the rules under notice will occasion, and I am to communicate the following observations thereon.

"3. The duties of the local authorities comprise essentially the selection of projects, the sanctioning of estimates, the allotment of funds placed under their control, and the general supervision and management of works—subject in all these matters to the well-chosen restrictions regarding professional assistance that have been imposed in the rules under notice. From the duties relating to the actual provision of cash and to the details of audit and booking, the Boards should be, as far as possible, entirely freed.

"4. Funds for expenditure should consequently, precisely as hitherto, be obtained through the medium of the Examiner of Accounts, and the booking, as well as the audit of the accounts, should rest finally with that officer. It is in no way essential that the Accountant-General of the Province should concern himself with the audit or with the booking of the outlay which, if brought upon his books, as the correspondence forwarded with your letter shows would be the case under the new rules, would at the close of the year be dealt with as Public Works, and not as Civil expenditure. The only Public Works expenditure with which he would have directly to deal is of the nature alluded to in Public Works Department Code, Chapter XV, paragraph 57, and for this disbursers would account, as heretofore, directly to him."

5. Hitherto, it is only in the Provinces of Madras and Bengal that the outlay of the Local Boards upon Public Works has been wholly freed from the control and accounts system of the Public Works Department. In both these provinces a special system of audit of Local Boards' accounts is in force, and it is presumed that the Local Governments are satisfied that the Public Works expenditure from Local rates is by this means sufficiently controlled and supervised. But it may be open to doubt whether in these cases the larger and more important works undertaken by the Boards might not be managed to the greater satisfaction both of the Government and of the Boards, if they were carried on under the system of control prescribed in the Public Works Department.

The Government of India has no wish to force the control of the Public Works Department on works which have been long in the hands of the Boards, if the Local Government think it unnecessary; but, while drawing attention to the matter, they desire that in the case of the more important works which have of late years been transferred, or will be transferred in the future, arrangements should be made to employ the necessary skilled departmental agency, to maintain the necessary control and to apply a proper system of audit and account in the direction indicated in paragraph 4.

Order—

Ordered, that the above remarks, which convey the decision of the Government of India upon the Note of the Finance Committee, and upon the question of the mutual relation between Local Boards and the Public Works Department in regard to Public Works at the present time, be circulated to Local Governments and Administrations for information and guidance.

Ordered also, that a copy be sent to the Public Works Department and to the Finance Department, with reference to its No. 42, dated 5th January 1887.

(True Extract.)

(Signed) W. M. YOUNG,
Offg. Secy. to the Govt. of India.

To the Government of Madras.

ORDER—dated 9th April 1888, No. 701 L., Local and Municipal.

Recorded, with the remark that the Government adhere to the views expressed in G.O., 2nd September 1886, No. 1071 L.F., and in letter to the Government of India, dated 21st February 1887, No. 226, Financial, as to the inexpediency of handing over any of the Public Works now under the control of Local Boards to the Public Works Department. The Government are satisfied that the expenditure from Local rates is sufficiently controlled and supervised.

2. It will be considered in the Public Works Department whether any of the works now under that department or any of the minor irrigation works can with advantage be made over to the Local Boards on the conditions suggested in paragraph 4 of the Government of India Resolution read above. The assent of the Local Boards to those conditions will be essential.

(True Extract.)

H. E. STOKES,
Chief Secretary.

To the Public Works Department, with copy of letter,
dated 21st February 1887, No. 226, Financial.

ENDORSEMENT—dated 9th April 1888, No. 702 L., Local and Municipal.

Copy to the Government of India, Home Department, with copies of the Proceedings referred to in paragraph 1.

H. E. STOKES,
Chief Secretary.

Govt. of (1888) Madras.
LOCAL AND MUNICIPAL.

Issued

Recd.

Encl.

G.O., &c., 9th April 1888,
Nos. 701, 702 L.

APRIL.

Public Works.

Recording, with remarks, resolution of the Government of India on note by the Finance Committee in regard to the transfer of Local Fund — to the Public Works Department.

[For Heads of Departments only.]

Circular No. III Public Works.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

GENERAL.

Calcutta, the 27th February 1888.

The following is forwarded to the Local Governments, Administrations and Officers noted on the margin, for information and guidance.

The Governments of Madras, Bombay, Bengal, the North-Western Provinces and Oudh, and the Punjab.
The Chief Commissioners of the Central Provinces, Burma ^{Upper} Lower, Assam, and Coorg.
The Resident at Hyderabad.
The Agents to the Governor General for Central India, Rajputana, and Biluchistan.
The Accountant General, Public Works Department.

By order,

G.H. Walker

Under Secy. to the Govt. of India.

Extract from the Proceedings of the Government of India, Home Department,—No. ¹⁰ 272-84,
(Public), dated Calcutta, the 10th February 1887.

Read—

Note B 55 by the Finance Committee on the amalgamation of Provincial and Local Establishment for Public Works.

RESOLUTION.—Local Governments have been already made aware by the copies of the Note B 55 of the Finance Committee which were circulated for an expression of opinion that the Committee took up at considerable length the question of expense caused by the maintenance of double establishments for that class of Public Works which are known as Civil Buildings, Roads, and Other Services.

2. It has been stated that the immediate effect of the introduction of the scheme of Local Self-Government was in many places to promote the creation of dual establishments for such works by setting up establishments under the control of the Local Boards, for the execution of works handed over to those Boards, as distinct from the Public Works Establishments retained for those works which remained under the control of the Government.

It was contemplated, however, that by degrees most of these works would be handed over entirely to the Local Boards, and the double establishments thus be saved.*

* Resolution in the Home Department, No. 17—
747-59, dated 18th May 1882.

This result is in most provinces far from being yet reached: in some the transfer has hardly begun, in others it has made considerable progress; and it is in the latter that the additional expense caused by the double establishment is most marked. The method, moreover, in which the transfer is being carried out differs in the several provinces; so that it would be impossible, during this period of transition, to lay down one rule for economising establishments which would apply to all. Thus in one Province, work is still carried out for the Boards by the Public Works Establishment, which acts quite independently of them, after having once taken over the works; in another, the Public Works Establishment has been made over for the use of the Boards, although not entirely subordinated to them, and carries out Local as well as Provincial works; in a third, a portion of the Establishment has been

*To the Secy. to the Govt. of Madras
Public Works Department*

lent to the Boards, which are otherwise independent as regards the works transferred to them, but are subject to the direction and the system of accounts of the Public Works Department, while a separate establishment at the same time carries out Provincial and Imperial works; in another, the works handed over to the Boards have been practically taken out of the hands of the Public Works Establishment, which only carries out Provincial and Imperial works. It is in the last class that the dualisation of the establishments has been most complete, and that the expense is most marked. The reason of this is that the Public Works Establishment has to look after Provincial or Imperial works scattered amongst local works over a very wide extent of country, and consequently the cost of establishment bears a very high proportion to the outlay on works and repairs.

3. The majority of the Finance Committee, observing the expense caused by the double agency during the period of transition, recommended that some arrangement should be entered into for amalgamating the establishments, and their recommendations are clearly in the direction of again placing the execution of the works wholly under the Public Works organisation. The Governor General in Council, however, while opposed to any measures of compulsion in the direction indicated, is of opinion that the complete amalgamation of Provincial and Local establishments is in itself undesirable, and would in practice be productive of inefficiency. At the same time he agrees that double establishments are a disadvantage, both to the Local Boards themselves and to the Government, in cases where the quantity of work is not sufficient to fully employ both. It is incumbent upon the Governments to see that money, whether raised by local rates or by general taxation, is economically spent. The supervision of local works by Local Boards is a valuable means to this end, but Local Governments should, as far as may be consistent with the duties and position assigned to these Boards, prevent the division of work from giving rise to the necessity for two independent sets of establishments. The methods adopted to mitigate the evil must vary according to circumstances, and with reference to the local conditions which differ considerably as indicated in paragraph 2, but the general principle to be adopted should be that all important works should be carried out by professional engineers in order to secure sound engineering, while Local Boards should be left to entertain their own petty establishments for executing repairs and minor works of construction. The system introduced should, however, be to some extent elastic, and the alteration in existing arrangements should be moderate and well considered. Acting on this principle the measure to be taken in some provinces should be in the direction of encouraging Local Boards to hand over the execution of works to the Public Works Department by making a very moderate charge for supervision, while retaining in their own hands full discretion in the selection of works to be carried out. In other provinces, where works on a considerable scale are being successfully carried out by the Local Boards, the measures should be in the direction of transferring more, until all this class of work is handed over to the Boards, and the retention of the Public Works Establishment for it, except for purposes of Government control, becomes unnecessary. In short, any opportunities for amalgamation and for abandonment of the present dual system should be embraced by either transfer of Provincial to Local, or the reverse, whenever such transfer would not conflict with the principles thus laid down. At the same time precautions must be taken against the exercise upon the Boards of pressure incompatible with the policy of Local Self-Government, against the exaction of excessive percentages for local work done by the Public Works Establishment and against any manifestation by Public Works Officers of a disposition to treat the wishes of the Boards otherwise than in a tolerant and conciliatory spirit.

4. The Governor General in Council is further of opinion that in any cases in which Provincial or Imperial works are handed over to be carried out by the Local Boards Establishment, the transfer should be made subject to a guarantee that the expenditure is to be accounted for in Public Works forms, and audited by Public Works Examiners. There has been considerable correspondence on this subject from time to time between the Government of India and the Governments of the Punjab and of Assam; and in both these cases the result has been that the Public Works system of accounts has been insisted on, as essential for the Public Works outlay of the Boards, subject to such modifications as may be approved to meet local requirements. Generally, it may be said that the following extracts paragraphs 1-4 of a letter No. 308 A.—G., dated 30th December 1884, to the Government of the Punjab, express the wishes of the Government of India in this matter:—

I am directed to acknowledge the receipt of your No. 759 of 15th March 1884, under which was forwarded a copy of the Notification quoted in the margin, prescribing general rules for the guidance of District and Local Boards,

No. 5283, dated 26th February 1884, in which sanction was solicited to certain proposed alterations in the procedure for the supply of funds for, and audit of, accounts of Public Works entrusted to the Boards.

2. In reply, I am to observe that, in opinion of the Government of India, the decentralization of control does not call for such important changes in these matters as the procedure laid down in the rules under notice will occasion, and I am to communicate the following observations thereon.

3. The duties of the local authorities comprise essentially the selection of projects, the sanctioning of estimates, the allotment of funds placed under their control, and the general supervision and management of works—subject in all these matters to the well chosen restrictions regarding professional assistance that have been imposed in the rules under notice. From the duties relating to the actual provision of cash and to the details of audit and booking the Boards should be, as far as possible, entirely freed.

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audit or with the booking of the outlay which, if brought upon his books, as the correspondence forwarded with your letter shows would be the case under the new rules, would at the close of the year be dealt with as Public Works, and not as Civil expenditure. The only Public Works expenditure with which he would have directly to deal is of the nature alluded to in Public Works Department Code, Chapter XV, paragraph 57, and for this disbursers would account, as heretofore, directly to him.

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The Government of India has no wish to force the control of the Public Works Department on works which have been long in the hands of the Boards, if the Local Government think it unnecessary; but, while drawing attention to the matter, they desire that in the case of the more important works which have of late years been transferred, or will be transferred in the future, arrangements should be made to employ the necessary skilled Departmental Agency, to maintain the necessary control and to apply a proper system of audit and account in the direction indicated in paragraph 4.

ORDER.—Ordered, that the above remarks, which convey the decision of the Government of India upon the note of the Finance Committee, and upon the question of the mutual relation between Local Boards and the Public Works Department in regard to Public Works at the present time, be circulated to Local Governments and Administrations for information and guidance.

Ordered also, that a copy be sent to the Public Works Department and to the Finance Department, with reference to its No. 42, dated 5th January 1887.

Finance Committee and
the reply thereto by the
Financial Department,
are not on record in
the Public Works Department.

MacBadden Capt. M. B.

Under Secretary to Govt.
P. W. D.

C. F. 3-88
N^o 1066.C.d. 12-3-88
Office Note.

To The Chief Secretary

Please say whether
it is desired that action
shall be taken on this
paper in the P. W. Dept.,
or whether the Financial
Dept will deal with the
matter, and if so whether
P. W. C. N^o 2274 should
be transferred to the
Financial Dept. for
the purpose.

Note B 55 by the

21
P. W. C. N^o 2274
3814/88

60.50

3/5

For C. No. 3784

MEMORANDUM.

Communication

REQUESTED for reference the undermentioned papers:—

5 copies of Local and Municipal Dept G. O. N^o.

7014-702.L. d/9 April 1888.

P. W. SECRETARIAT,

Chepák, 3rd May 1888.

Chimbrun
Second Assistant
P. W. Secretariat

To

The Assistant in charge
Public Department.

M.

P.W. No. 3884

1888.

Public Works Department.

Office note.

To the Secy (Genl. & Adm.)

In with ref. to his
Office note 1066 C d/12.12.87
has the honor to refer
him to G.O. No. 10701 K. 9/12/87

No. 1066 C

Dated 12.3.88.

Despatched

Received 25.4.88

E. I

H. E. Stokes

Chief Secretary

Obtained

23 April/88

SUBJECT.

Resolution of the
Govt of India conveying
its decision upon the
note of the Finance
Committee upon the
question of the mutual
relations between
Local Boards
& the P.W. Dept. in
regard to Public Works

SAW
The papers
with some
views from
office
23.4.88

File with (No. 3784-S. 25-4-88)

21st FEBRUARY 1887, No. 226, FINANCIAL.

FINANCIAL DEPARTMENT.

LETTER—from

THE CHIEF SECRETARY TO THE GOVERNMENT OF
FORT ST. GEORGE,

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,
DEPARTMENT OF FINANCE AND COMMERCE.

SIR,

In reply to Financial Resolution No. 41, dated 5th January 1887, I am directed, with reference to the proposed amalgamation of the Local Fund and Provincial Public Works Establishments, to state that, in framing the estimate from which the saving of Rs. 1,11,981 resulted, the Public Works Department calculated on retaining the services of the existing temporary establishment costing Rs. 3,20,000; but in consequence of reductions in the Provincial and other allotments for public works, this establishment (or almost the whole of it) will have to be dispensed with.

2. It is now estimated by the Public Works Department that, without the temporary establishment, it is not probable that the department can undertake the Local Fund works with a less costly establishment than the Boards at present employ, viz., Rs. 6,06,782.

3. There would thus be no economy from the proposed amalgamation, and as on political and administrative grounds there are, in the opinion of the Government, grave objections to the measure, His Excellency in Council is not prepared to accept it.

4. The statement appended to Colonel Hasted's letter, No. 2496 W., dated 25th September 1886, explains the figure referred to in the last sentence of paragraph 32 of the Finance Committee's Note. It was based on detailed estimates by Superintending Engineers.

I have the honor to be,

Sir,

Your most obedient servant,

FORT ST. GEORGE,
21st February 1887.

H. E. STOKES,
Ag. Chief Secretary.

+ Vide 197C 20-1-87

Exd. T. O'Connor.

O.R.S. 99
14
23/4

1887.
FINANCIAL DEPARTMENT.

From the Government of
Fort St. George.

Issued

Recd.

Encl.

Letter, 31st Feb. 1887, No. 226.

FEBRUARY.

Public Works Establishments.

Addressing the Government of India on the subject of the proposed amalgamation of the Local Fund and Provincial Public Works Establishments.

9TH APRIL 1888, Nos. 701, 702 L., LOCAL AND MUNICIPAL.

GOVERNMENT OF MADRAS.

LOCAL AND MUNICIPAL DEPARTMENT.

READ—the following paper :—

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2. It has been stated that the immediate effect of the introduction of the scheme of local self-government was in many places to promote the creation of dual establishments for such works, by setting up establishments under the control of the Local Boards for the execution of works handed over to those Boards, as distinct from the Public Works establishments retained for those works which remained under the control of the Government.

It was contemplated, however, that by degrees most of these works would be handed over entirely to the Local Boards, and the double establishments thus be saved.* This result is in most provinces far from being yet reached: in some the transfer has hardly begun, in others it has made considerable progress; and it is

in the latter that the additional expense caused by the double establishment is most marked. The method, moreover, in which the transfer is being carried out differs in the several provinces; so that it would be impossible, during this period of transition, to lay down one rule for economising establishments which would apply to all. Thus in one province, work is still carried out for the Boards by the Public Works establishment, which acts quite independently of them; after having once taken over the works; in another, the Public Works establishment has been made over for the use of the Boards, although not entirely subordinated to them, and carries out Local as well as Provincial works; in a third, a portion of the establishment has been lent to the Boards, which are otherwise independent as regards the works transferred to them, but are subject to the direction and the system of accounts of the Public Works Department, while a separate establishment at the same time carries out Provincial and Imperial works; in another, the works handed over to the Boards have been practically taken out of the hands of the Public Works establishment,

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which only carries out Provincial and Imperial works. It is in the last class that the dualisation of the establishments has been most complete, and that the expense is most marked. The reason of this is that the Public Works establishment has to look after Provincial or Imperial works scattered amongst local works over a very wide extent of country, and consequently the cost of establishment bears a very high proportion to the outlay on works and repairs.

3. The majority of the Finance Committee, observing the expense caused by the double agency during the period of transition, recommended that some arrangement should be entered into for amalgamating the establishments, and their recommendations are clearly in the direction of again placing the execution of the works wholly under the Public Works organisation. The Governor-General in Council, however, while opposed to any measures of compulsion in the direction indicated, is of opinion that the complete amalgamation of Provincial and Local establishments is in itself undesirable, and would in practice be productive of inefficiency. At the same time, he agrees that double establishments are a disadvantage, both to the Local Boards themselves and to the Government, in cases where the quantity of work is not sufficient to fully employ both. It is incumbent upon the Government to see that money, whether raised by local rates or by general taxation, is economically spent. The supervision of local works by Local Boards is a valuable means to this end, but Local Governments should, as far as may be consistent with the duties and position assigned to these Boards, prevent the division of work from giving rise to the necessity for two independent sets of establishments. The methods adopted to mitigate the evil must vary according to circumstances, and with reference to the local conditions, which differ considerably as indicated in paragraph 2, but the general principle to be adopted should be that all important works should be carried out by professional Engineers in order to secure sound engineering, while Local Boards should be left to entertain their own petty establishments for executing repairs and minor works of construction. The system introduced should, however, be to some extent elastic, and the alteration in existing arrangements should be moderate and well considered. Acting on this principle the measure to be taken in some provinces should be in the direction of encouraging Local Boards to hand over the execution of works to the Public Works Department by making a very moderate charge for supervision, while retaining in their own hands full discretion in the selection of works to be carried out. In other provinces, where works on a considerable scale are being successfully carried out by the Local Boards, the measures should be in the direction of transferring more, until all this class of work is handed over to the Boards, and the retention of the Public Works establishment for it, except for purposes of Government control, becomes unnecessary. In short, any opportunities for amalgamation and for abandonment of the present dual system should be embraced by either transfer of Provincial to Local or the reverse whenever such transfer would not conflict with the principles thus laid down. At the same time, precautions must be taken against the exercise upon the Boards of pressure incompatible with the policy of local self-government, against the exaction of excessive percentages for local work done by the Public Works establishment, and against any manifestation by Public Works officers of a disposition to treat the wishes of the Boards otherwise than in a tolerant and conciliatory spirit.

4. The Governor-General in Council is further of opinion that in any cases in which Provincial or Imperial works are handed over to be carried out by the Local Boards establishment, the transfer should be made subject to a guarantee that the expenditure is to be accounted for in Public Works forms, and audited by Public Works Examiners. There has been considerable correspondence on this subject from time to time between the Government of India and the Governments of the Punjab and of Assam; and in both these cases the result has been that the Public Works system of accounts has been insisted on, as essential for the Public Works outlay of the Boards, subject to such modifications as may be approved to meet local requirements. Generally, it may be said that the following extracts paragraphs 1—4 of a letter, No. 308 A.G., dated 30th December 1884, to the Government of the Punjab, express the wishes of the Government of India in this matter:—

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No. 528½, dated 26th February 1884.

2. In reply, I am to observe that, in the opinion of the Government of India, the decentralization of control does not call for such important changes in these matters as the procedure laid down in the rules under notice will occasion, and I am to communicate the following observations thereon.

3. The duties of the local authorities comprise essentially the selection of projects, the sanctioning of estimates, the allotment of funds placed under their control, and the general supervision and management of works—subject in all these matters to the well-chosen restrictions regarding professional assistance that have been imposed in the rules under notice. From the duties relating to the actual provision of cash and to the details of audit and booking, the Boards should be, as far as possible, entirely freed.

4. Funds for expenditure should consequently, precisely as hitherto, be obtained through the medium of the Examiner of Accounts, and the booking, as well as the audit of the accounts, should rest finally with that officer. It is in no way essential that the Accountant-General of the Province should concern himself with the audit or with the booking of the outlay which, if brought upon his books, as the correspondence forwarded with your letter shows would be the case under the new rules, would at the close of the year be dealt with as Public Works, and not as Civil expenditure. The only Public Works expenditure with which he would have directly to deal is of the nature alluded to in Public Works Department Code, Chapter XV, paragraph 57, and for this disbursers would account, as heretofore, directly to him."

5. Hitherto, it is only in the Provinces of Madras and Bengal that the outlay of the Local Boards upon Public Works has been wholly freed from the control and accounts system of the Public Works Department. In both these provinces a special system of audit of Local Boards' accounts is in force, and it is presumed that the Local Governments are satisfied that the Public Works expenditure from Local rates is by this means sufficiently controlled and supervised. But it may be open to doubt whether in these cases the larger and more important works undertaken by the Boards might not be managed to the greater satisfaction both of the Government and of the Boards, if they were carried on under the system of control prescribed in the Public Works Department.

The Government of India has no wish to force the control of the Public Works Department on works which have been long in the hands of the Boards, if the Local Government think it unnecessary; but, while drawing attention to the matter, they desire that in the case of the more important works which have of late years been transferred, or will be transferred in the future, arrangements should be made to employ the necessary skilled departmental agency, to maintain the necessary control and to apply a proper system of audit and account in the direction indicated in paragraph 4.

Order—

Ordered, that the above remarks, which convey the decision of the Government of India upon the Note of the Finance Committee, and upon the question of the mutual relation between Local Boards and the Public Works Department in regard to Public Works at the present time, be circulated to Local Governments and Administrations for information and guidance.

Ordered also, that a copy be sent to the Public Works Department and to the Finance Department, with reference to its No. 42, dated 5th January 1887.

(True Extract.)

(Signed) W. M. YOUNG,
Offg. Secy. to the Govt. of India.

To the Government of Madras.

ORDER—dated 9th April 1888, No. 701 L., Local and Municipal.

Recorded, with the remark that the Government adhere to the views expressed in G.O., 2nd September 1886, No. 1071 L.F., and in letter to the Government of India, dated 21st February 1887, No. 226, Financial, as to the inexpediency of handing over any of the Public Works now under the control of Local Boards to the Public Works Department. The Government are satisfied that the expenditure from Local rates is sufficiently controlled and supervised.

2. It will be considered in the Public Works Department whether any of the works now under that department or any of the minor irrigation works can with advantage be made over to the Local Boards on the conditions suggested in paragraph 4 of the Government of India Resolution read above. The assent of the Local Boards to those conditions will be essential.

(True Extract.)

Wm. J. H. Stokes
for Chief Secretary.

To the Public Works Department, with copy of letter,
dated 21st February 1887, No. 226, Financial.

ENDORSEMENT—dated 9th April 1888, No. 702 L., Local and Municipal.

Copy to the Government of India, Home Department, with copies of the Proceedings referred to in paragraph 1.

H. E. STOKES,
Chief Secretary.

no 1066e of 12.3.88
425c of 5.2.87
197c of 10.1.87
2498
2496 w of 25.9.86
2010 w of 12.8.86

P.W. No 3784

Govt. of (1888) Madras.
LOCAL AND MUNICIPAL.

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Public Works.

Recording, with remarks, resolution of the
Government of India on note by the Finance
Committee in regard to the transfer of Local
Fund — to the Public Works Department.

1/5/88
Supt. Engrs
Ch. Engr. for Supt.
2 copies to
5/4 - 1/5/88
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In the order