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MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

Revenue.....DEPARTMENT

G.O. No.
B.P. No.

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Dated

25-11-1875 196

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*Proceedings of the Madras Government, Revenue Department,
25th November 1875.*

No. 293. Read the following Proceedings of the Madras Government in the Public Works Department, dated 15th October 1875, No. 2,960 :—

ABSTRACT.—Passing orders on letter from the Government of India offering instructions for the future preparation of Capital and Revenue Accounts of Irrigation Works.

No. 294. ORDER THEREON, 25th November 1875, No. 1,694.

Irrigation, No. 9.

COMMUNICATED to the Board of Revenue.

2. With reference to paragraph 6 the Government observe that no separate accounts are kept of *collections* with reference to particular works or to irrigated and dry cultivation severally; and it is impossible, therefore, to ascertain the decrease in actual collections as compared with the settled demand under any particular work or works. There can, in the nature of the case, be no increase in actual receipts over the demand.

(True Extract.)

Secretary to Government.

To the Board of Revenue,
with G.O., No. 2,960, Public Works Department.

12

*Proceedings of the Madras Government, Public Works Department,
15th October 1875.*

No. 289. Read the following letter from Colonel C. H. DICKENS, R.A., Secretary to the Government of India, Public Works Department, (Account—Irrigation,) to Major-General G. W. WALKER, R.E., Secretary to the Government of Madras, Public Works Department, dated Simla, 17th September 1875, No. 295 A.—I:—

THE Government of India having had under consideration the Proceedings* of the Government of Madras relating to the measures to be taken for the preparation of Capital and Revenue Accounts of irrigation works, I am directed to state that these Proceedings are generally approved. But in order to prevent undue delay and needless or disproportionate trouble from the effort to prepare these accounts in cases where they are not really required, I am to communicate the views of the Governor-General in Council respecting the determination and classification of the works for which these accounts should be made up.

2. The outlay on irrigation works is classed broadly under two heads, viz.:—

I.—Works for which Capital and Revenue Accounts have to be kept. This head includes both extraordinary and ordinary outlay.

II.—Ordinary Agricultural outlay for which those Accounts are not kept.

3. Capital and Revenue Accounts are, it is to be understood, the technical series of accounts so called, of which the object is to compare the Revenue with the Capital by which it has been produced. There may be works on which there is Capital outlay, and from which Revenue is derived; and for which accounts, both of the Capital and of the Revenue, are or can be kept; but unless the Revenue is the result of the Capital, so that it can be legitimately compared with it in the series of accounts called "Capital and Revenue Accounts," such works do not properly come under the first head. But, on the other hand, in order to be brought under the first head, it is not essential that the whole Capital that has ever been expended on the work shall be known and recorded. It suffices if the Capital that is recorded represents outlay from which the Revenue recorded can be justly held to result.

4. In the memorandum forwarded with Public Works Department letter No. 103 A.—I., dated 11th April 1874, it was said:—"No Capital accounts should be attempted of those works which have been in use from time immemorial, and are still in use, but which the British Government has never materially improved. For all works which the British Government has materially improved, or restored, or extended, or constructed, some Capital accounts must be prepared. The dates from which such Capital accounts should be framed will depend on the information available."

5. In order to carry out these instructions, it is first necessary to ascertain the works for which Capital accounts can be made up. The Governor-General in Council is apprehensive that unless this is done with some limitation, valuable time may be lost, or at any rate delay occasioned by efforts to make up Capital and Revenue Accounts for works in cases where the data available are insufficient for the result to be of any value. For instance, Colonel Mullins appears to consider it necessary that *all outlay* on tanks should be included in Capital or Revenue accounts.

Capital and Revenue Accounts of Irrigation Works.—Communicating to the Board of Revenue Proceedings, Public Works Department, on letter from Government of India offering instructions for the future preparation of—

NOVEMBER.
Nos. 293-294.

G.O., 25th November 1875, No. 1,694.

Recd.

Dated November, 25th.

Encl.

To
THE BOARD OF REVENUE.

REVENUE.

Govt. of Madras.
1875.

6. To decide on the best method of attaining the object in view, it is first necessary to classify the outlay charged in the public accounts under the head Irrigation. An analysis of that outlay shows that it may be grouped as follows:—

I.—Works of which Capital and Revenue Accounts are to be kept. These are:—

A.—Those constructed entirely by the British Government and the whole Capital outlay of which is known.

B.—Those on which the *old* Capital outlay is not accurately known, but which have been improved or extended by the British Government the Capital outlay being represented by the cost of the improvements and extensions, or by whatever sum can be traced as the outlay, and the profits by the *enhanced* Revenue resulting therefrom.

II.—Works other than those entered under I. These are:—

C.—Works on which there is only expenditure and no Revenue, the Expenditure being charged off year by year to a budget grant under the head Works, Repairs, Establishments, &c.

D.—Works from which Revenue is derived or secured, but the Capital cost of which is not known, and the entire current outlay on which may be considered as Revenue outlay, to be compared with the receipts.

E.—Works of which the Capital outlay is partly known, and from which there is current Revenue derived, but the revenue of which cannot be justly ascribed to the Capital recorded.

7. It is not the desire of the Government of India to enter under the first head a large body of works for which it will be a difficult and long task to get any thing approaching to complete and trustworthy accounts. Works should be kept under class E, and not under classes A or B, until the sufficiency of the relation of the Revenue to the Capital is ascertained and recognized.

8. For the works constructed entirely by the British Government, the Irrigation Officers of the Government of Madras will doubtless be able to give the Controller a list of those for which Capital and Revenue accounts should be maintained. The Controller ought to be instructed to have these accounts made up as soon as possible. Particular importance is attached to this point, as it is on such works that large sums of money are being spent from the extraordinary grant, and the Government of Madras will no doubt agree with the Government of India in considering that the outlay and returns from them should be fully ascertained and recorded with the least possible delay.

9. For the works on which the old Capital outlay is not accurately known, but which have been improved or extended by the British Government, the Capital outlay being represented by the cost of improvements and extensions, or by whatever sum can be traced as the outlay, it is left to the Government of Madras to select the projects for which Capital and Revenue accounts can be made up and maintained. The selection of the works can probably be made without much difficulty, but however this may be, I am to ask that the works may be named so far as can be done at present, in order to admit of the inclusion of their accounts in those of the works known to come within the category mentioned. If hereafter it is found that there are other works of the same class, the necessary accounts can then be made up for them. All the other works can be treated as works for which the technical capital or revenue accounts are not to be kept.

10. From these remarks it will be understood that the exclusion of a work from the category of those in which net revenue is compared with Capital does not militate against the full record of such capital outlay on it as may be known, or against the exhibition and comparison of its actual earnings and working expenses.

11. Under these arrangements it is hoped that the labour of making up the Capital and Revenue Accounts of the works in category A and B need not be so great as seems to be expected. But not only in this category but in all irrigation works it will be necessary, I am to remark, to adopt some system of classifying the works by projects or groups according to their character, and the nature of the expenditure incurred on them. When there is no Capital expenditure, all the outlay, whether on works or on repairs, should be treated as Revenue charges and should be provided for accordingly. By debiting outlay on extensions and improvements to Revenue, it may follow that in some one year the Revenue outlay may be in excess of the Revenue receipts. But as both Revenue outlay and Revenue receipts will according to the forms in use be carried on year by year, the final effect of the increased outlay on the receipts will be kept in view.

12. As regards the exhibition of Revenue due to the several works, it is observed that the question has been raised whether the amount of assessments may not be used instead of the actual collections. The Government of India will not object to this being done provided that any subsequent increase or decrease of importance in the actual collections is duly communicated to the Office of Account, in order that the correction may be applied to the statements of accumulated expenditure and income to end of the following year. But I am to say, in conclusion, that on no works except those for which Capital and Revenue Accounts are kept will any funds be provided from the extraordinary grant. In cases in which this has already been done, then the outlay incurred from the extraordinary grant must be forthwith reported in view to its refund from the ordinary grant.

No. 290.

ORDER THEREON, 15th October 1875, No. 2,960.

IRRIGATION, No. 27.

Account.

THE Honorable the Governor in Council observes that the instructions which have been issued for the preparation of the Capital and Revenue Accounts of irrigation works in this Presidency are very closely in accordance with the wishes of the Government of India, as intimated in the foregoing letter. It has been laid down that separate Capital and Revenue Accounts are to be opened only for the systems of irrigation or individual considerable works on which an expenditure of some importance has been incurred under the British Government, and, moreover, the Controller of Public Works has been instructed to confine his attention, in the first instance, to certain systems of irrigation, such as the Godavery and Kistna Deltas, the great importance of ascertaining the true financial position of which is admitted by all; while for the purpose of training the Account Department Establishment employed on these accounts, a commencement has been made with the Madras Water Works Project, because in this case the records and all the officers to whom references have to be made are close at hand, and the Controller will therefore be able to exercise a personal supervision over the investigations.

2. The works for which separate Capital and Revenue Accounts have to be opened are somewhat numerous, and of the more important a list has been made out; but it is desired that the chief irrigation works of the Presidency should be first dealt with, leaving those which are comparatively unimportant to be taken up afterwards. It will certainly take a long time to get all these accounts prepared, and, until those of two or three of the principal works shall have been completed, it is hardly practicable to say what the rate of progress will be, but with the knowledge of what has to be done, which will be acquired as the investigations proceed, no doubt the work will be got through much faster hereafter than can be the case at present.

3. With regard to tanks and minor irrigation works generally, there is no intention of attempting Capital and Revenue Accounts in detail as prescribed for important irrigation works. On the other hand, to leave these, which collectively irrigate so much land, entirely out of consideration, would not, it is thought, enable a correct idea of the irrigation of this Presidency to be formed. Still it is not intended that anything should be done with such works beyond so classifying current expenditure as to admit of future investigations being the more readily carried out. What is proposed in connection with these works is that they should be divided into the classes already directed, viz. :—

Classes.

II.—Irrigation from rivers with the tanks supplied.

III.—Do. do. minor streams do. do.

IV.—Do. do. rainfed tanks.

V.—Do. do. spring channels.

And it is further proposed that all outlay shall be classed under Capital or Revenue, and that the general results of such outlay on the revenue shall be exhibited in annual statements for each district under each class of irrigation works. So much appears to be necessary, more will generally be impracticable.

4. There are however some groups of irrigation works which will, in the first instance, be included in these classes, which at some future time it will probably be desirable to deal with separately. As instances the following may be mentioned :—

A.—The irrigation from the Tambrapoorney in Tinnevely under the old native anicuts, above the Striviguntum anicut. Some of these are individually of more actual importance than the last named anicut system, while collectively the area of irrigation and the revenue are very considerable. Added to this some expenditure is being incurred upon them, and in time probably a good deal will be done for their improvement.

B.—The irrigation under similar anicuts from the Ambravutty in Coimbatore.

C.—The irrigation from the Bhowany in the same district.

D.—The irrigation from the several considerable rivers in the Cuddapah and Bellary districts.

5. These considerations induce the Government to think that it would not be advisable to adopt the suggestion made in paragraph 11 of the letter above recorded of debiting to Revenue all outlay on extensions and improvements on works on which

no such Capital outlay, as would necessitate the opening of separate Capital and Revenue Accounts, may be incurred. It will be as easy, and it will be far more appropriate it is thought, to maintain a distinction between outlay on material and, in relation to the description of irrigation works, important improvements, and that on maintenance or upkeep, by charging the former to Capital and the latter to Revenue, than to make the whole a Revenue charge, and so render it very difficult to ascertain the results of Public Works expenditure upon these different classes of works, which, as already noticed, are collectively of no little importance. Recently orders have been

Proceedings No. 2,482, dated 30th August 1875. issued on the subject of the limits of outlay on improvements which should bring

these under the head of Capital or Revenue respectively, and these limits have been determined with reference to the general character of the individual works of the several classes. The Government believe that the rule will work well, and lead eventually to a fuller and clearer knowledge of the results of systematic treatment of these minor irrigation works than would otherwise be practicable. It need only be further remarked that the arrangements proposed by this Government cannot directly or indirectly affect the question of the preparation of the Capital and Revenue Accounts of the systems of irrigation or individual important works, which all come under Class I.

6. With regard to paragraph 12 of the letter from the Government of India, it has to be noticed that the assessments intended to be taken credit for as the revenue derived from the irrigation works of this Presidency are the net assessments, after deduction of remissions, forming the actual demand to be collected, and the difference between this demand and the actual collections will but very seldom be of any importance. These Proceedings, however, will be communicated to the Revenue Department, in order that all such differences may be duly reported, first, for the works of Class I., and, secondly, for all other works in each district, and the results exhibited will, after review in Government Proceedings, be communicated to the Controller of Public Works Accounts.

(True Extract.)

C. Munro Major-General, R.E.,
Secretary to Government.

To the Chief Engineer for Irrigation.
„ Controller of Public Works Accounts.
„ Revenue Department.

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nature of the case, be no
increase in actual receipts
over the demand.

114 To the Board of Revenue 29th

9th Dec. 1860

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Relative to state-
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