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MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

Revenue DEPARTMENT

G.O. No.	1861	Press
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Not to be folded or roughly handled

Proceedings of the Madras Government, Public Works Department,
18th August 1875.

No. 303. Read the following letter from Captain L. CONWAY-GORDON, R.E., Controller of Public Works Accounts, to Major J. O. HASTED, R.E., Officiating Chief Engineer for Irrigation, dated Fort St. George, 11th August 1875, No. 8 I. :—

I HAVE the honor to request that you will move Government to issue early orders regarding the principles which should regulate the apportionment of the charges for Establishment and Tools and Plant in past years in connection with the Capital and Revenue Accounts of Irrigation Works.

2. At first sight it may appear inexpedient to disturb in any way the total debits to different heads of service made in past years on account of establishments, but a consideration of the following circumstances will, I think, show that such a disturbance is really necessary, and that in compiling the Capital and Revenue Accounts we must, as regards establishment charges, start *de novo* on the basis of some clearly defined and uniform rules.

3. These circumstances are—

(*a.*) For a considerable period the gross debit to the extraordinary grant on account of establishments was calculated at 10 per cent. only on the outlay on works, whilst the corresponding charge to the ordinary grant must have been during the same period from 25 to 30 per cent. upon the outlay on works. Such an incongruity may be immaterial as between grant and grant ; but as between work and work, or as between two consecutive years on the same work, it is extremely undesirable that such incongruities should obtain, when the object is to apportion the charges as fairly as possible. It is undesirable, for instances, that at one and the same time the Chembrumbaukum tank should be charged 25 per cent. and the Madras Water Works 10, both being carried out by the same agency ; or again ; that the Madras Water Works should be charged 10 per cent. in one year and 25 per cent. in the next, the agency in the two years being precisely the same.

(*b.*) In several cases, *e.g.*, the Madras Water Works and Streeviguntum Anicut Works Establishments were specially employed in connection with these projects, and the facts being on record should evidently be taken into account in preparing the Capital and Revenue Accounts. The annual accounts have left these facts altogether out of sight.

(*c.*) It is known that the establishment charges of past years were not even correctly calculated according to the rules then in force ; charges such as these for conservancy and navigation establishments in the Godavery, Kistna, and Tanjore districts, which are distinctly chargeable to Irrigation Revenue Account, having been ratably debited to *all* heads of service, such as Military Buildings, Local Fund, Communications, &c. &c.

4. I beg therefore to suggest the adoption of the following rules for guidance in the distribution of establishment charges in past years :—

(*a.*) Where a special executive establishment is known to have been employed in connection with any project, the cost of such establishment shall be a charge against that project.

(*b.*) Where no special establishment is employed, the charge for executive establishment shall be a ratable share of the range establishment, calculated range by range.

(*c.*) The charge for direction and accounts shall be a ratable share of the District Engineer's (or Superintending Engineer's) establishment, calculated district by district (or division by division), and a ratable share of the central establishments (Secretariat, Chief Engineer, and Accounts) calculated at a uniform rate for the whole Presidency.

5. I may add that in proposing to distribute the establishment charges of each district and each range over the works of such district and such range, instead of distributing the charges for the whole Presidency at one uniform rate over the works executed in the Presidency, I am influenced by a conviction that this course not only is more accurate, but also is much simpler, and will lead to very much less confusion in working; indeed, I foresee endless confusion should the other plan be adopted from the fact that an error in the accounts of one district or range will disturb the accounts of the whole Presidency.

6. With regard to tools and plant, I think it is quite clear that the debits made in past years cannot be allowed to stand without seriously impairing the value of the Capital and Revenue Accounts. Until quite recently the total charges for tools and plant throughout the Presidency were ratably distributed to the different heads of service. For what may be called *Ordinary Tools and Plant*, *viz.*, pickaxes, mammoties, &c., a ratable distribution, either range by range or district by district, is probably fair enough, but for such articles as steamers, dredges, &c., a ratable distribution is obviously unfair, the cost of such articles must be borne by the system of works in connection with which they are intended to be used. I propose therefore that in preparing the Capital and Revenue Accounts the following rule shall, as far as possible, be observed:—

Charges for Ordinary Tools and Plant shall be ratably distributed according to the expenditure on works, the cost of Special Tools and Plant shall be a charge against the works on which they are used.

7. The Capital Account of the Madras Water Works cannot be completed until the points raised in this letter have been decided, and I therefore trust that I may be favored with the orders of Government at an early date.

No. 304. ORDER THEREON, 18th August 1875, No. 2,375.

IRRIGATION, No. 17-A.

Account.

THE proposals made in paragraph 4 of the foregoing letter for the distribution of past establishment charges are approved, as are also those in paragraph 6 for the distribution of charges on account of tools and plant.

(True Extract.)

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

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

Exd. S. T. Austin.

20 Spare Copies will follow

Rev.: 1875: Sept
N. 3425

Govt. of {1875} Madras.

PUBLIC WORKS.

To

THE CONTROLLER OF PUBLIC

WORKS ACCOUNTS,

&c., &c., &c.

Dated August 18th.

Issued

Recd. Septr 2d *Encl.*

G. O., 18th August 1875, No. 2,375.

AUGUST.

Nos. 303-304

Capital and Revenue Accounts of Irrigation Works.—Approving of the Controller's proposals of regulating the apportionment of the charges for establishment, and tools and plant in past years in connection with the —

No 1861.
Comm^r. of the
Board of Revenue
3 Sept^r/75.

Ir. Letter Board Dep. Rec. &c. 9 Sept 75