

(1) Number of pages 2 sheets
(2) Date of repair 3.9.82
(3) Initials of the Referencer _____

TAMIL NADU ARCHIVES

GOVERNMENT OF TAMIL NADU

Revenue DEPARTMENT

G.O. No.	<u>143</u>	Press.
B.P. No:		Mis.
Dated	<u>16 - 1 - 1878</u>	197 .

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GOVERNMENT OF MADRAS.
FINANCIAL DEPARTMENT.

4th January 1878, No. 20.

Accounts.

Read the following paper:—

No. 35. *Proceedings of the Government of India in the Financial Department, dated Fort William, 11th December 1877, No. 2531.*

Accounts and Finance.

Read again the following papers recorded during this year upon the subject of Famine Accounts:—

Accounts and Finance, March, Nos. 170 to 172.
” ” June ” 63 to 66.
” ” July No. 69.
” ” August ” 43.

RESOLUTION.—The Governor-General in Council considers it expedient now to consolidate and, in some particulars, to modify these orders as follows:—

2. In ordinary years, the Imperial Head of Account “Famine Relief” is disused and closed, the several Provincial Governments providing from provincial resources such moderate sums as may be required for the relief of any distress which may arise from the local failure of crops: such expenditure is recorded not under the head of “Famine Relief” but under the head of “Miscellaneous,” sub-head “Miscellaneous and Unforeseen Charges.”

3. The Imperial Government is mainly responsible for all expenditure recorded under the head of “Famine Relief;” but this head may not be opened, and no expenditure may be recorded under it, without the previous sanction of the Governor General in Council, which will be accorded only on the occurrence of such a widespread calamity as can properly be designated a “Famine.”

4. When the head of “Famine Relief” is opened, no expenditure may be recorded directly under it, excepting expenditure incurred directly and immediately for the relief of distress; as, for instance, upon Relief (not Public Works) Camps.

5. All other expenditure due to the famine, however plainly it may be traced to this cause, must, in accordance with the general principles of the Public Accounts, be recorded under the appropriate Service Heads and not under Famine Relief. Examples of such expenditure are allowances, whether to the troops or to ministerial or menial officers in the Civil Department, in compensation for dearness of provisions; extra travelling or mileage allowances to Police, Medical or other officers; pay of additional Medical Officers; extra hospital accommodation; extra public works undertaken, not directly for the employment of famine-stricken people, but which, but for the occurrence of the famine, would not have been undertaken.

6. In times of famine it becomes necessary for the State to provide food for multitudes of the people who, but for State aid, would perish from starvation; the problem to be solved is, how to make the labor of the people whom it is thus necessary to maintain, profitable enough to prevent the burden of supporting them from overwhelming the State.

7. In the pursuit of this object it has been determined that all public works undertaken directly, and only, in order to utilise the labor of people who must otherwise be fed in idleness, shall be organised and supervised in the Public Works Department, and, as far as possible, constructed and managed by officers of the Public Works Department.

8. The cost of all such works is, in the first instance, to be recorded under a Suspense head in the accounts of the Public Works Department, which Suspense head

must be eventually cleared by the record of the real value, at normal rates, of the work executed, under the head of Public Works Ordinary, or Extraordinary, as the case may be, and the transfer of the infructuous balance to the head of "Famine Relief." The cost of the Public Works Establishments employed upon relief works should be entered under the Suspense head, or, if these establishments cannot be precisely distinguished, then one-fourth of the outlay upon the relief works, supervised by the Public Works Department, may be charged as establishments; but, without the special sanction of the Government of India, in the Financial Department, the share of the cost of the work charged to Public Works must not, in any case, be less than the cost of Public Works Establishments recorded against the works. Subject to this proviso, the ultimate division of the outlay upon the famine works, between "Famine Relief" and "Public Works," is left entirely to the discretion of the Public Works Department. It is important that the distribution should be made with the least possible delay.

9. In order that there may be evidence that relief works are planned and supervised with due regard to their primary objects, the expenditure upon them must be classified in the accounts of the Public Works Department as follows:—

- (1). For materials.
- (2). For labor paid at the rates fixed by the Government for unskilled labor upon relief works.
- (3). For labor paid, for whatever reasons, at any higher rates, divided into—
 - (a) skilled labor,
 - (b) supervision of labor, skilled or unskilled.

10. As an exception to the general rule recited in paragraph 5, the Governor General in Council is pleased to authorise the transfer from "Public Works," "Ordinary," or "Extraordinary," as the case may be, to the head of "Famine Relief" of any expenditure in excess of normal rates, in consequence of the employment for relief purposes upon works other than relief works, of unskilled and unprofitable labor. The amount to be thus transferred in respect to each work must be determined at the discretion of the Public Works Department, and every effort must be made to carry out the transfer in the accounts of the year in which the expenditure occurs, and by deduction of the unprofitable outlay from the expenditure upon the works, or by some other accounting device which will prevent the appearance of the charge twice in the Finance and Revenue Accounts as finally settled.

11. The object of this exception is that the cost of public works, as recorded in the Finance and Revenue Accounts, shall not be unduly exaggerated, and the cost of "Famine Relief" unduly diminished. It is, moreover, essential that no expenditure incurred for relief purposes should be recorded under the head of "Extraordinary Public Works."

12. The ordinary rule which forbids interdepartmental transfers in the accounts is based upon sound reasons, viz.:—

- (1) that the Finance and Revenue Accounts are not, and cannot be, so constructed as to exhibit the entire cost of any service, which can only be ascertained by abstracting into a separate account, the expenditure on the service under each head;
- (2) that the transfer of expenditure incurred upon a Service, as, for example, in times of famine, for compensation on account of dearness of food or for extra Police or Medical arrangements, to any other head of account, though it may make this head somewhat more complete, injures the integrity of the other; and
- (3) that such transfers cause confusion and trouble in the accounts and obscure their phenomena as a whole.

These considerations do not forbid the transfer to "Famine Relief" of the excess expenditure for relief purposes on public works.

13. A complete Statement of the entire expenditure and estimated loss of revenue entailed upon the State by each famine in each Province, together with any sets-off, should however be compiled under the orders of the Comptroller-General, apart from the Finance and Revenue Accounts.

14. This Statement should show, separately, the expenditure, loss of income or revenue, and sets-off, under the categories of—

Local,
Provincial, and
Imperial,

and should include all heads of account, Military and Civil. The authority for any estimates which enter into the Statement, as for instance, of the loss of revenue under each head, or the gain of net revenue from the State and Guaranteed Railways, should be fully explained.

15. It is an accepted principle that, for the relief of distress arising from famine, Municipal and Local resources should, so far as they can legally be applied to the purpose, be first exhausted; that when these are exhausted, and only then, District resources should be employed; that when District resources are exhausted, resort should be had to Provincial resources; and that the Imperial Government should intervene only when Provincial, District, and Municipal resources are all exhausted.

16. If, in any case, under the operation of the Rules in this Resolution a famine ends without exhausting Municipal, District or Provincial resources, they should, so far as the law allows, and as is thought, in each case, expedient be required to contribute towards the relief of the Imperial Treasury from the residual burden falling upon it.

17. On the other hand, the Imperial Government undertakes to guarantee Provincial and Local Funds against insolvency, and to make such a grant under the head of "Famine Relief" as will enable the Provincial Government, at the end of a famine, to resume, with efficiency, the ordinary administration. At the end of the Bengal Famine of 1874, accounts were so adjusted between the Imperial Government and the Government of Bengal as to leave an aggregate net balance of five lakhs of rupees at credit of the Provincial Funds and Local Funds at the disposal of the Government of Bengal for provincial purposes; an analogous net balance of six lakhs of rupees has been promised to the Government of Bombay at the end of the present famine. It is a duty specially incumbent upon the Provincial Government so to husband and economise its resources of all kinds in times of famine, as to reduce to a minimum the contributions which may thus fall upon the Imperial Government.

Ordered, that this Resolution be communicated for information and guidance as follows:—

To the Revenue, Home, and Public Works Departments.
" several Local Governments and Administrations.
" Comptroller-General and to the several Accountants-General and Deputy
" Accountants-General in independent charge.
(Signed) R. H. HOLLINGBERRY,
Asst. Secy. to the Govt. of India.

No. 36.

ORDER THEREON, 4th January 1878, No. 20.

Communicated to the Departments of the Secretariat.

(True Extract.)

Chief Secretary.

To the Revenue Department. ✓
" Military
" Public Works Department.
" Board of Revenue.
" Inspector-General of Police.
" of Jails.
" Surgeon-General, Indian Medical Department.
" Accountant-General.
Exd. T. O'Connor.

10-918

Revenue *13/8* *de/ct*
74/104

Colt. of 18781 *30* 18785.

FINANCIAL.

THE REVENUE DEPARTMENT.

Rs. Ac. Ps.

Dated January, 4th.

Received — 12

Rs. — 12

Ps.

G.O., 4th January 1878, No. 20.

JANUARY.
Nos. 35-38.

Account.—Communicating Resolution of Government of India modifying certain orders on the part of Land Revenue.

20/143

Wendell

16. Jan'y/78