Revenue (1897) Department.

PRESS SERIES.

G.O., No. 474-75

Dated 18th June 1897

[Despatch Abstract.]

approving the Board's proposals for raising the pay of Ratmans in the Presy and addressing the Govt of India accordingly.

BACK PAPERS.

G.O.	No.	Regd.	Date.	G.O.	No.	

FURNITURE PAPERS.

G.O.	No.	Regd.	Date.	G.O.	No.	

Government (1897) of Madras.

REVENUE.

Recd. } 1897. *Enclosures*

Regd. } 1897. *Spare copies*

G.O., No. 474, 18th June 1897.

JUNE.

Raising the pay of karnams.

Approving and submitting to the Government of India for sanction the proposals made by the Board of Revenue for —.

GOVERNMENT OF MADRAS.

REVENUE DEPARTMENT.

Read—the following Proceedings of the Board of Revenue (Land Revenue), No. 403, dated 26th October 1896 :—

Resolution—No. 403, dated 26th October 1896.

In the concluding paragraph of its resolution on the proposals for the formation of a Land Record Department (Board's Proceedings, No. 354, dated 18th September 1896), the Board intimated its intention of submitting to Government a scheme for improving the position of karnams throughout the Presidency. It was pointed out that the orders of recent years had thrown upon these servants of Government a very considerable increase of work for which, as yet, no increase of pay had been granted, and the Board added that signs were not wanting of a widespread feeling amongst these officials that the scale of remuneration was not commensurate with the services rendered. The Board now submits for the orders of Government its proposals for increasing the pay of village karnams in all districts of the Presidency, except Madras and the Nilgiris.

2. Appendix A shows the number of karnams on the different rates of pay in each district of the Presidency, excluding Madras, while Appendix B shows the establishment of karnams in the twelve districts to which the scale, usually called the Anantapur scale, has already * been applied. The proposals of the Board on the present occasion are intended to be given effect to at once in these twelve districts, as also in Gódávari, as shown in Appendix B ; while the same principles will be applicable to districts whose village establishments may be revised hereafter.

* As regards two of these districts, Bellary and Kurnool, the figures entered are those proposed by the Board in its Proceedings, No. 404, dated 26th October 1896, and No. 307, dated 20th August 1895.

3. The following statement compares the present and proposed standards of village establishments so far as karnams are concerned :—

Beriz.	Rate of pay of karnams.		Number of karnams in twelve districts.		Cost of karnams.	
	Present.	Proposed.	Present.	Proposed.	Present.	Proposed.
	Rs.	Rs.	No.	No.	Rs.	Rs.
Under Rs. 2,000	6	8	2,860	6,735	17,160	53,880
Rupees 2,000 and above	7		3,875		27,126	
„ 4,000 „	8	10	973	973	7,784	9,730
„ 8,000 „	10	12	162	162	1,620	1,944
„ 12,000 „	12	15	49	60	588	900
„ 16,000 „	15		11		165	
					54,442	66,454
					12	12
					6,53,304	7,97,448
Additional cost per annum						Rs. 1,44,144
Add additional cost in Gódávari as shown in Appendix B ..						5,016
Total additional cost ..						1,49,160

The Board proposes that the pay of the lowest grade of karnams should, in future, be fixed at Rs. 8 per mensem, and that karnams now drawing Rs. 7 as well as those now drawing Rs. 6 may be placed in this grade. The alternative of giving the karnams on Rs. 7 an increase of Rs. 2 each per mensem, which would mean an additional charge of nearly a lakh of rupees per annum on this item only, does not commend itself to the Board.

4. The increases proposed to the pay of karnams now drawing Rs. 8, 10 and 12, respectively, will entail an additional cost of Rs. 2,417 per mensem, or Rs. 29,004 per annum on the whole. It will be seen that no increase is proposed to the karnams now drawing Rs. 15 each. In other words, the karnams now drawing Rs. 15 will be assimilated to those drawing Rs. 12, just as those drawing Rs. 7 are assimilated to those drawing Rs. 6. The total number of grades of karnams will thus be reduced from six to four.

5. A remark is called for with regard to the district of Gódávari. The scale adopted for determining the pay of village officers in this district was as follows :—

Beriz.	Karnam's pay.
	Rs.
Under Rs. 2,000	6
Rupees 2,000 and less than Rs. 5,000	8
„ 5,000 „ „ 7,500	10
„ 7,500 „ „ 10,000	12
„ 10,000 „ „ 15,000	15
„ 15,000 and above	20

The following statement compares what a karnam in charge of a village with a given beriz would get in one of the districts at present on the Anantapur scale with what he would get if the village were in Gódávari, and again with what he would get according to the proposed general scale for karnams :—

Beriz of village.	Karnam's pay on		
	Anantapur scale.	Scale proposed by the Board.	Gódávari scale.
Rs.	Rs.	Rs.	Rs.
1,500	6	8	6
5,000	8	10	10
8,000	10	12	12
12,000	12	15	15

It will be seen from the above comparison that the principal change required to bring the Gódávari scale for karnams into harmony with that proposed by the Board is the grant to karnams in charge of villages with a beriz less than Rs. 2,000 each should get Rs. 8 each instead of Rs. 6 as at present. A few minor points of difference will still remain, *e.g.*, in the case of karnams of villages whose beriz ranges between Rs. 4,000 and Rs. 5,000, but these differences may be set right at the next revision of village establishments in Gódávari. The Board does not at present propose to disturb the special rate of pay (Rs. 20 per mensem), drawn by karnams in charge of villages with a beriz of Rs. 15,000 and above : but the question of dispensing with this rate will be considered when the revised scheme for the district is submitted.

6. *The remaining districts.*—Some time must elapse before the increase to karnams' salaries can be given effect to in the districts not shown in Statement B. This period will however, not exceed a few months in the case of Tanjore and Trichinopoly, for which districts schemes of revision of village establishments are expected from the Collectors at an early date, and also in the case of Tinnevelly the scheme for which is under consideration in the Board's office. In Salem, South Canara and Malabar, the Board considers that the introduction of resettlement in the case of Salem, and of settlement in the case of the other two districts, may be awaited before revising the

present village establishments. The Collector of Kistna will be asked to report when the scheme already called for for revising the village establishments in his district may be expected.

7. *Cost of the scheme.*—The cost of the scheme, so far as the thirteen districts shown in statement B are concerned, will be an additional expenditure of Rs. 1,49,160 or in round numbers, one and a half lakhs of rupees per annum. Supposing the present rate of cess, *viz.*, 8 pies in the rupee is maintained, the balance to the credit of the Village Service Fund will suffice, during the next two or three years, to defray this additional cost. When the rate of 9 pies in the rupee is re-imposed, as it must be, after a time, even if no relief were granted to karnams, the annual proceeds of the cess, on the present land revenue, may be estimated at 25 lakhs of rupees per annum; and with a corresponding Government contribution the assets of the fund may be set down at 50 lakhs. The present annual charges of the Village Service Fund amount to 46 lakhs, so that a sum of 4 lakhs of rupees will be available, without enhancing the rate of cess, for carrying out improvements to village establishments. Assuming that the total relief to be ultimately granted to karnams throughout the Presidency will bear the same proportion to the present cost of karnams' establishments that the additional expenditure of one and a half lakhs, now proposed, bears to the cost of karnams in the thirteen districts shown in statement B, the maximum expenditure on account of increase to karnams' salaries will be two and a half lakhs of rupees for the Presidency, a sum which will still be less than the estimated annual balance referred to above.

(True Copy and Extract.)

(Signed) R. C. C. CARR,
Acting Secretary.

To the Secretary to Government, Revenue Department.

Statement A.

Rate of pay per mensem.	Number of karnams.											
	Ganjam.	Vizagapatam.	Gódávari.	Kistna.	Nellore.	Cuddapah.	Anantapur.	Bellary.	Kurnool.	Chingleput.	North Arcot.	South Arcot.
1.	2	3	4	5	6	7	8	9	10	11	12	13
Rs. A. P.												
20 0 0	..	..	20	26	..	..	..	1	..	..	..	..
19 0 0	..	..	..	18	..	..	..	..	..	..	..	..
18 0 0	..	..	..	19	..	..	..	..	..	..	..	..
17 0 0	..	..	..	35	..	..	..	..	..	..	..	..
16 0 0	..	..	51	..	7	..	..	5	..	..	..	..
15 0 0	..	..	..	50	..	..	..	..	..	..	..	..
14 0 0	..	..	..	64	..	1	2	10	5	5	1	..
13 0 0	..	..	61	..	14	..	..	..	..	..	..	..
12 0 0	1	..	..	54	..	9	3	34	11	9	6	1
11 0 0	..	3	110	66	34	..	..	..	1	..	..	..
10 0 0	..	..	..	52	..	..	..	..	..	..	..	..
9 0 0	..	..	..	..	..	..	..	..	..	..	..	..
8 0 0	13	33	284	135	125	97	35	164	66	70	88	117
7 8 0	..	1	..	..	224	309	123	..	267	378	514	919
7 0 0	119	112	209	77	161	297	340	312	347	212	355	418
6 0 0	234	25	..	150	..	..	..	..	..	..	..	..
5 0 0	..	..	..	394	..	..	..	..	..	..	..	..
4 0 0	..	..	..	..	..	..	..	..	..	..	..	..
3 0 0	..	..	..	..	..	..	..	..	..	..	..	1
2 0 0	..	..	..	..	..	..	..	..	..	..	1	..
1 6 4	..	..	..	..	..	..	..	..	..	..	..	..
1 0 0	..	..	..	..	..	..	..	..	..	..	..	..
0 8 0	..	..	..	..	..	..	..	..	..	..	..	..
Total ..	367	174	735	1,140	565	713	503	526	697	674	965	1,456

Rate of pay per mensem.	Number of karnams—*cont.*									Cost per mensem.	Rate of pay.
	Tanjore.	Trichinopoly.	Madura.	Tinnevelly.	Coimbatore.	Nilgiris.	Salem.	South Canara.	Malabar.	Total.		
	14	15	16	17	18	19	20	21	22	23	24	25
Rs. A. P.											Rs. A. P.	Rs. A. P.
20 0 0	..	..	..	..	..	..	..	..	..	47	940 0 0	20 0 0
19 0 0	..	..	..	..	..	..	..	..	..	18	342 0 0	19 0 0
18 0 0	..	..	..	..	..	..	..	..	..	19	342 0 0	18 0 0
17 0 0	..	..	..	..	..	..	..	..	..	35	595 0 0	17 0 0
16 0 0	..	..	..	..	..	10	..	..	9	19	304 0 0	16 0 0
15 0 0	..	..	..	24	3	..	..	..	..	140	2,100 0 0	15 0 0
14 0 0	..	..	..	22	..	2	..	..	..	24	336 0 0	14 0 0
13 0 0	..	..	..	30	..	..	..	..	..	94	1,222 0 0	13 0 0
12 0 0	..	..	5	56	7	12	..	..	14	194	2,328 0 0	12 0 0
11 0 0	..	..	..	77	..	..	..	..	..	131	1,441 0 0	11 0 0
10 0 0	..	1	36	74	38	..	145	52	..	632	6,320 0 0	10 0 0
9 0 0	..	..	..	42	..	..	81	41	..	279	2,511 0 0	9 0 0
8 8 0	19	43	..	..	..	..	..	..	1	1	8 8 0	8 8 0
8 0 0	..	..	..	51	140	..	118	109	1	2,577	20,616 0 0	8 0 0
7 8 0	632	198	101	..	..	..	..	..	..	1	7 8 0	7 8 0
7 0 0	..	..	..	59	406	..	161	..	..	5,089	35,623 0 0	7 0 0
6 0 0	778	406	237	68	219	..	117	..	413	4,160	24,960 0 0	6 0 0
5 0 0	13	158	112	44	..	..	115	86	..	639	3,195 0 0	5 0 0
4 0 0	..	..	..	154	..	..	122	..	..	276	1,104 0 0	4 0 0
3 0 0	..	..	..	9	..	..	67	..	..	76	228 0 0	3 0 0
2 0 0	..	..	..	22	..	..	1	..	..	23	46 0 0	2 0 0
1 6 4	..	..	..	..	..	..	..	..	..	1	1 6 4	1 6 4
1 0 0	..	..	..	87	..	..	11	..	..	99	99 0 0	1 0 0
0 8 0	..	..	..	2	..	..	..	..	..	2	1 0 0	0 8 0
Total ..	1,442	806	491	821	813	24	938	288	438	14,576	1,04,670 6 4	
									Cost per annum ..		12,56,044 12 0	

APPENDIX B.

Beris and corresponding rate of pay.		Number of karnams in twelve districts whose establishments are on the Anantapur scale and in Gódávari which has a scale of its own.								
Beris.	Pay.	Ananta-pur.	North Arcot.	South Arcot.	Bellary.	Ching-leput.	Coimba-tore.	Cudda-pah.	Ganjám.	Kurnool.
1	2	3	4	5	6	7	8	9	10	11
	Rs. 20	..	..	..	..	..	..	..	..	..
I. Rs. 16,000 and above.	15	..	..	..	1	..	3	..	..	..
II. „ 12,000 „ ..	12	2	1	..	8	5	7	1	1	5
III. „ 8,000 „ ..	10	3	6	1	15	9	38	9	..	8
IV. „ 4,000 „ ..	8	35	88	117	84	70	140	97	13	70
V. „ 2,000 „ ..	7	123	514	919	265	378	406	309	119	268
VI. Under Rs. 2,000 ..	6	340	355	418	170	212	219	297	234	317
Total ..	..	503	964	1,455	543	674	813	713	367	668

Beris and corresponding rate of pay.		Number of karnams in twelve districts whose establishments are on the Anantapur scale and in Gódávari which has a scale of its own—*cont.*					Total cost of existing establishments in thirteen districts including Gódávari.	Proposed additional cost in Gódávari at Rs. 2 per mensem extra in the lowest grade.	Additional cost in other districts at Re. 1 per mensem extra in grade V, Rs. 3 per mensem extra in grade II, and Rs. 2 per mensem in other grades except grade I.	Total cost including the increases shown in columns 18 and 19.
Beris.	Pay.	Madura.	Nellore.	Vizagapatam.	Total.	Gódávari.				
		12	13	14	15	16	17	18	19	20
	Rs. 20	..	..	..	..	20	Rs. 400	Rs. ..	Rs. ..	Rs. 400
I. Rs. 16,000 and above.	15	..	7	..	11	51	930	..	..	930
II. „ 12,000 „ ..	12	5	14	..	49	61	1,320	..	147	1,467
III. „ 8,000 „ ..	10	36	34	3	62	110	2,720	..	324	3,044
IV. „ 4,000 „ ..	8	101	125	33	973	284	10,056	..	1,946	12,002
V. „ 2,000 „ ..	7	237	224	113	3,875	*Nil.*	27,125	..	3,875	31,000
VI. Under Rs. 2,000 ..	6	112	161	25	2,860	209	18,414	418	5,720	24,552
Total ..	..	491	565	174	7,930	735	60,965 12	418 12	12,012 12	73,395 12
							7,31,580 (per annum).	5,016 (per annum).	1,44,144 (per annum).	8,80,740 (per annum).

Note.—The figures entered for Bellary and Kurnool are those of the schemes submitted to Government with Board's Proceedings, No. 404, dated 26th October 1896, and No. 307, dated 20th August 1895. The figures for the other districts represent the establishments as they stood on 1st September 1895. The Kurnool figures do not take into account the special increases sanctioned for seven curnams in the district.

Official Memorandum, No. 18.

The Accountant-General is requested to favour Government with his opinion as to whether the Village Service fund in this Presidency constitutes an item of "Indian Revenue" within the meaning of article 277 of the Civil Account Code, and, if so, whether revisions of village establishment should not be treated in the same way as those of process service establishments—*vide* clause (4) of the article.

Fort St. George,
29*th January* 1897.

(Signed) LIONEL DAVIDSON,
Under Secretary to Government.

To the Accountant-General.

Read—the following letter from F. C. HARRISON, Esq., Officiating Accountant-General to the Government of Madras, to the Secretary to Government, Revenue Department, dated Fort St. George, 12th March 1897, No. 842:—

In reply to the official memorandum No. 18, dated 29th January 1897, I have the honour to state that, as the Village Service Fund is in effect derived from Land Revenue, it is in my opinion an item of Indian Revenue. Even if this were not so, article 287 of the Civil Account Code would bring village establishments under the rules and restrictions in article 277, and revisions of such establishments are, in my judgment, liable to the general limitation in clause (4) of that article which is only relaxed when fees or scales are levied under the orders of a Court of Law.

Order—No. 474, Revenue, dated 18th June 1897.

Miscellaneous.

The Board's proposals are approved and will be submitted to the Government of India for sanction.

2. Ordered that the following letter be despatched to the Government of India.

(True Extract.)

(Signed) G. STOKES,
Ag. Secretary to Government.

To the Board of Revenue (Land Revenue).
„ the Accountant-General, } with copy of letter to the Government of India.
„ the Financial Department, }

Rd. Shaik Karim.

30 Copies.

1897.

REVENUE AND AGRICULTURAL DEPARTMENT.

From

The Government of Fort St. George.

Recd.	1897.	*Enclosures*
Regd.		*Spare copies*

Letter, No. 475, 18th June 1897.

JUNE.

SUBMITTING, for the consideration and orders of the Government of India, a copy of the Proceedings of this Government on the question of raising the pay of karnams in this Presidency.

GOVERNMENT OF MADRAS.

REVENUE DEPARTMENT.

From

The Hon'ble Mr. G. STOKES, I.C.S.,
Ag. Secretary to the Government of Madras,

To

The SECRETARY to the GOVERNMENT of INDIA,
Revenue and Agricultural Department,

Dated Ootacamund, 18th June 1897.

Sir,

I am directed to submit, for the consideration and orders of the Government of India, a copy of the Proceedings of this Government, No. 474, dated 18th June 1897, embodying proposals for the improvement of the position of karnams (village accountants) in this Presidency.

Miscellaneous.

2. The Government of India is aware that the task of preparing and maintaining the land records devolves primarily upon the karnams or village accountants and that the proposals of His Excellency the Governor in Council in respect of the formation of the new Land Record Department have been framed so as to continue and develop the policy of training and utilizing this local and unprofessional agency for the preparation and maintenance of land records. As the result of this policy it has already been found possible to effect considerable economies to the State, but in pursuance of these orders a very considerable amount of work has been thrown upon karnams in recent years and there is now a wide-spread feeling among these subordinates that the scale of their remuneration is not commensurate with the services rendered. In former days, karnams were in possession of service inams which, though small, placed them in the position of landholders. But now these land grants have been replaced by money salaries which in no case, under the scale sanctioned by the Government, exceed Rs. 15 per mensem and, for the great majority of villages, average Rs. 7 or 8 per mensem. The work demanded of the karnam has at the same time been doubled or even trebled and much greater accuracy and strictness in its execution is insisted on. Economic registers and additional accounts have, year after year, sprung into existence; the duties of a surveyor have recently been added to the list, and from next year forward candidates for the karnam's office are, except in certain cases, required to have passed prescribed examinations. Such being the case it is but natural that the overworked karnam should demand enhanced remuneration for this additional labour. Indeed, in the Cuddapah district, a large number of them recently struck work when required to attend the survey school and although the agitation speedily subsided, a feeling of discontent exists in this and in other districts; and the Government considers that early steps should be taken to check the growth of this feeling.

3. The scale of pay which has been allowed to karnams in this Presidency in all recent revisions of village establishments ranges from Rs. 6 to Rs. 15 per mensem. Having regard to all the facts mentioned in the previous paragraph, the Board of

Revenue is strongly of opinion that the minimum pay of a karnam should be fixed at Rs. 8, the maximum being retained at Rs. 15 as at present. The existing scale and that now proposed by the Board are shown below:—

Beris.	Rate of pay of karnams. Present.	Proposed.
	Rs.	Rs.
Under Rs. 2,000	6	8
Rupees 2,000 and above	7	
„ 4,000 „	8	10
„ 8,000 „	10	12
„ 12,000 „	12	15
„ 16,000 „	15	

I am to say that His Excellency the Governor in Council fully accepts the above proposals. The scheme, when introduced into the twenty districts to which it is intended to be ultimately applied, will involve an additional expenditure of about two and a half lakhs of rupees per annum; but to begin with it is proposed to give effect to it in only thirteen districts. The effect so far as these districts are concerned of applying the new scale of pay will be—

(*a*) that 3,069 karnams who are now drawing Rs. 6 each and 3,875 karnams who are drawing Rs. 7 each will all draw Rs. 8 each;

(*b*) that 973 karnams who are drawing Rs. 8 each will draw Rs. 10;

(*c*) that 162 karnams who are drawing Rs. 10 will draw Rs. 12 each; and

(*d*) that 49 karnams who are drawing Rs. 12 will draw Rs. 15 each per mensem in future, while those who are now drawing Rs. 15 will continue to draw that pay. The additional expenditure involved for the present will therefore be Rs. 1,49,160 or roughly one and a half lakhs of rupees, though the actual cost to the State will only be half that expenditure under sections 8 and 9 of Madras Act IV of 1893.

The Madras Village Cess Act.

4. His Excellency the Governor in Council is aware that, at this period of financial pressure, a scheme like the present involving large extra expenditure should not be urged upon the Government of India. I am, however, to point out that in the opinion of the Board of Revenue and the Government, the time has now arrived when it is no longer possible to postpone an increment to the salaries of these low-paid subordinates. In this Presidency the karnam is the pivot on which the whole revenue machinery of Government is balanced and any further delay in complying with his legitimate demand may not improbably impair seriously the efficiency of the land revenue administration. I am accordingly to express the hope of His Excellency the Governor in Council that the Government of India will be pleased to sanction the scheme so that it may be brought into force with effect from fasli 1307 (1st July 1897), especially as it is not necessary, as will be shown below, that, with the introduction of the scheme, any additional burden should be thrown on the general revenues at present.

5. As regards the funds required to meet the additional expenditure, a sum of two lakhs was provided in the budget estimate of the Village Service Fund for the current year, but this provision was disallowed by the Government of India under the Standing Order that provision for new expenditure should not be made until the measure has been duly sanctioned. Further, with a view to reduce the amount of contribution payable by Government during the year, the rate of cess to be levied from the ryots has been reduced from 8 to 7 pies in the rupee of assessment for fasli 1307 (1897–98), and the total receipts are estimated at Rs. 43·66 lakhs, while the expenditure, *exc*luding the provision on account of the proposal to raise the pay of karnams, is estimated at Rs. 47·52 lakhs. But there is a large balance of about 18 lakhs standing to the credit of the Village Service fund and any expenditure over the receipts will only tend to absorb this balance. It will, therefore, be quite possible to raise the pay of karnams without at the same time raising the rate of cess or the amount of contribution payable by Government for a year or two more. I am accordingly directed to request that, with the sanction of the scheme, the Government of India will also be pleased to grant an additional allotment of a lakh and

thirty thousand rupees for expenditure during the current year, *i.e.*, since nearly one-third of the year has elapsed, two-thirds of two lakhs provided in the budget to meet the cost of this scheme but which has been struck out by the Government of India.

6. I am in conclusion to raise the question whether, in the matter of establishments paid from the Village Service Fund, the powers of sanction of the Local Government are limited to the extent indicated in Chapter 17 of Civil Account Code, Volume I, in other words, whether the Village Service Fund in this Presidency constitutes an item of "Indian Revenue" within the meaning of article 277 of the Civil Account Code. The local Accountant-General, to whom this point was referred for opinion, remarks that "as the Village Service Fund is in effect derived from Land Revenue, it is in my opinion an item of Indian Revenue and that even if this were not so, article 287 of the Civil Account Code would bring village establishments under the rules and restrictions in article 277, and revisions of such establishments are, in my judgment, liable to the general limitation in clause (4) of that article which is only relaxed when fees or scales are levied under the orders of a Court of Law." But I am to point out that the Village Service Fund is constituted under the provisions of section 7 of the Madras Village Cess Act IV of 1893 and consists of —

(1) the balance of all funds constituted under Madras Act IV of 1864;
(2) the proceeds of the cess imposed under the Act IV of 1893;
(3) all contributions from general revenues for the purposes of the Act IV of 1893.

In the same section it is further stated "that the 'Village Service Fund' may be appropriated in such manner as may be directed by Government, to the remuneration of village officers within the area to which this Act is applied and to any other purposes connected with the discharge of their duties or with the administration of such fund." As under the Madras General Clauses Act (I of 1891), as it stood at the time when Madras Act IV of 1893 was passed, "Government" means "the Governor of Fort St. George in Council" it follows that in the matter of expenditure of the Village Service Fund the local Government is by law the final authority and that no reference to any higher authority is needed.

Accordingly it has not been the practice to submit to the Government of India schemes for the revision of village establishments even though such schemes involved additional expenditure exceeding Rs. 25,000 per annum and the Accountant-General has not in fact till now required that such sanction should be obtained. This view has also been adopted hitherto; because in extract of the Proceedings of the Government of India, Financial Department, dated 18th September 1863, No. 4559, it is laid down that a budget estimate of expenditure chargeable to Local funds should be submitted to the Government of India, and it is explained that "the object in requiring this estimate was not to exercise any interference with the expenditure of funds which were entirely at the disposal of the Local Government but merely that the Government of India should be kept informed of the outlay for financial purposes and of the nature of the projects in reference to their effect upon the wants of the country which remain to be met from Imperial Funds." But as the Accountant-General is now of a different opinion, I am to submit the case for the orders of the Government of India.

I have the honour to be,
Sir,
Your most obedient servant,

(Signed) G. STOKES,
Ag. Secretary to Government.

Exd. Shaik Karim.

60 Copies.

Revenue Department.

NOTES CONNECTED WITH G.O., No. 474, REVENUE, DATED 18th JUNE 1897.

[Subject.—*Proposal to raise the pay of Karnams.*]

Proceedings of the Board of Revenue (Land Revenue), No. 403, dated 26th October 1896.

To Secretary—

In the above, the Board of Revenue submits a scheme for increasing the pay of village karnams in all districts of the Presidency except Madras and the Nilgiris. The Board's proposals are clearly explained in its Proceedings to which attention is solicited. The points for orders are—

(1) whether the pay of karnams should be increased;
(2) if so, is the increase to be general, *i.e.*, to be allowed at once to all karnams in the Presidency or is it to be limited to karnams in selected districts only at the outset and extended to the other districts gradually hereafter; and
(3) what should be the *increase* to be granted.

2. As regards the first point, attention is invited to the concluding paragraph of Board's Proceedings, No. 354 (Land Revenue), dated 18th September 1896, in which the grounds for raising the pay of karnams are fully and clearly set forth. There seems to be no doubt whatever that of late years the work of karnams has considerably increased and that these officers are not sufficiently well paid for the services demanded of them. It is presumed therefore that an increase to their emoluments will be sanctioned as recommended by the Board of Revenue.

Yes. The statement there made is unanswerable.

J. G[ROSE].
H. W. B[LISS].

Not only has the amount of work been increased, but they are being compelled to do it properly.

G. Stokes.
26-12-96.

Yes.

H.W.B.
G.S.
26-12-96.

An increase in the emoluments of these men is certainly required. As the Board say their work has been doubled or even tripled of late years and a lot of it is novel (like that of surveying).

J.G.
H.W.B.

3. On the second point, the Board's proposals do not apply to Madras and the Nilgiris as karnams in Madras form part of the taluk * establishment, while those in the Nilgiri † district are already sufficiently highly paid, their pay ranging from Rs. 12 to Rs. 16. The remaining twenty districts, the Board divides into two classes :—

(*a*) Those ‡ in which what is known as the Anantapur § scale is now in force, and also the Gódávari district which has a scale of its own; and

(*b*) other districts in which the village establishments have yet to be revised.

* *Vide* statement, page 35, and paragraph 140 of the Hon'ble Mr. Bliss' report on page 38 of G.O., No. 1047, dated 12th October 1892.

† Appendix A to Board's Proceedings, No. 403, dated 26th November 1896.

‡ Mentioned in appendix B.

§ G.O., No. 719, dated 13th July 1892.

Page 23 of G.O., No. 1097, dated 26th September 1885.

The Board's proposals are intended to be given effect to at once in all the districts included in class (*a*). In districts included in class (*b*), *i.e.*, in Tanjore, Trichinopoly, Tinnevelly, Salem, Kistna, Malabar and South Canara, village officers are not paid on a uniform scale as in the other districts and the karnams' pay does not therefore admit of uniform treatment for purposes of granting increased salaries. The Board accordingly proposes to award the increase when the establishments in these districts are revised. It is expected that in Tanjore, Trichinopoly, Tinnevelly and Kistna, the revision of village establishments will be completed by next year (1897–98), while as regards Salem, South Canara and Malabar the Board considers that the introduction of resettlement in the case of Salem and of settlement in the case of the other two districts may be awaited before revising the present village establishments.

G.S.
26-12-96.

G.S.
26-12-96.

I concur as to all this except that I am not sure about Salem. Does Mr. Stokes think it will be safe to postpone the increase there? How long will it be postponed? Who are the karnams there who get Rs. 5 and less?

J.G.
5-1-97.

I think we may try postponement in Salem. The Salem resettlement must be near now.

H.W B.
6-1-97.

Yes.

J.G.
16-1-97.

4. As regards the third point, the Board's proposal is to reduce the existing number of grades of karnams from 6 to 4 and to fix the minimum pay of a karnam at Rs. 8 and the maximum at Rs. 15. The existing Anantapur scale and that proposed by the Board are compared below :—

The number of grades is a matter of little consequence. I think four is too few, but the minimum pay ought to be Rs. 8.

G.S.
26-12-96.

I really think we *ought* to go higher than Rs. 15. Whether we can afford it, is another matter.

H.W B.
6-1-97.

I think Rs. 15 will do.

J.G.
16-1-97.

Beriz.	Rate of pay of karnams. Present.	Proposed.
Under Rs 2.000	6	8
Rupees 2,000 and above	7	
„ 4,000 „	8	10
„ 8,000 „	10	12
„ 12,000 „	12	15
„ 16,000 „	15	

It will be seen from appendix B to the Board's Proceedings that the effect of applying the proposed scale to the twelve districts in which the Anantapur scale is now in force will be—

(*a*) that 2,860 karnams who are drawing Rs. 6 each per mensem and 3,875 karnams who are drawing at the rate of Rs. 7 will all draw in future Rs. 8 each;

(*b*) that 973 karnams who are drawing Rs. 8 each will draw Rs. 10;

(*c*) that 162 karnams who are drawing Rs. 10 will draw Rs. 12 each; and

(*d*) that 49 karnams who are drawing Rs. 12 each will draw Rs. 15 *per mensem.*

The additional expenditure involved will therefore be—

$12 \times (2,860 \times 2 + 3,875 + 973 \times 2 + 162 \times 2 + 49 \times 3)$ or Rs. 1,44,144 *per annum.*

5. As regards Gódávari, the scale adopted in that district for determining the pay of village officers was as follows :—

Beriz.	Karnams' pay. Rs.
Under Rs. 2,000	6
Rupees 2,000 and less than Rs. 5,000	8
„ 5,000 „ „ 7,500	10
„ 7,500 „ „ 10,000	12
„ 10,000 „ „ 15,000	15
„ 15,000 and above	20

It will be seen from the above that the *principal* change required to bring the Gódávari scale into harmony with that proposed by the Board is that karnams in charge of villages with a beriz of less than Rs. 2,000 each should get Rs. 8 each instead of Rs. 6 as at present. There are 209 of this grade and the additional expenditure will therefore be Rs. 418 per mensem or Rs. 5,016 *per annum.* There are also a few minor points of difference, but the Board would leave these as also the question of dispensing with the special rate of pay of Rs. 20 to be dealt with at the next revision of village establishments in the district.

Might not this district be left till after resettlement?

G.S.
26-12-96.

I think the pay now given to the 209 men, viz., Rs. 6 a month, is much too low. They have had and will have much work to do in connection with the survey and the resettlement.

J.G.
5-1-97.

Yes. But I think the Rs. 20 man might possibly be cut down to Rs. 18 However, there are so few of them that it does not much matter.

H.W.B.
6-1-97.

I think they had better be left at once for the present.

J.G.
16-1-97.

6. The following statement compares the present and proposed standards of village establishments so far as karnams are concerned :—

Beriz.	Rate of pay of karnams. Present.	Proposed.	Number of karnams in twelve districts. Present.	Proposed.	Cost of karnams. Present.	Proposed.
	Rs.	Rs.	No.	No.	Rs.	Rs.
Under Rs. 2,000	6	8	2,860	6,735	17,160	53,880
Rupees 2,000 and above	7		3,875		27,125	
„ 4,000 „	8	10	973	973	7,784	9,730
„ 8,000 „	10	12	162	162	1,620	1,944
„ 12,000 „	12	15	49	60	588	900
„ 16,000 „	15		11		165	
					54,442	66,454
					12	12
					6,53,304	7,97,448
						Rs.
Additional cost per annum						1,44,144
Add additional cost in Gódávari as shown in Appendix B ..						5,016
Total additional cost ..						1,49,160

7. The additional cost involved, namely, 1½ lakhs of rupees has been provided for in the Village Service fund budget for 1897–98 and orders are requested as to whether the Board's proposals may be approved.

8. It is submitted that the minimum pay of a karnam may be fixed at Rs. 8 as suggested by the Board. But as regards higher grades, if instead of adopting the Board's proposal to allow an increase of Rs. 2 in pay for every increase of Rs. 4,000 in the beriz, an increase of Re. 1 is allowed for every increase of Rs. 2,000 in the beriz as noted in the margin, the cost of the scheme may be reduced to some extent. To this proposal it may be objected that it creates too many grades but the objection does not appear to be very serious, especially when it is considered that the proposal will tend to lessen expenditure, without in any way ignoring the principle that pay should, as far as possible, be proportionate to work.

Beriz.			Pay proposed.	Ananta-pur scale.
			Rs.	
Less than Rs. 4,000		...	8	6 & 7
Rupees 4,000	and above	...	9	8
„ 6,000	„	...	10	
„ 8,000	„	...	11	10
„ 10,000	„	...	12	
„ 12,000	„	...	13	12
„ 14,000	„	...	14	
„ 16,000	„	...	15	15

Note.—It will be seen from the above that all the karnams except those in charge of villages, the beriz of which is not less than Rs. 16,000, will get some increase of pay—an increase proportionate to the work they have to perform.

As no information is available in the Government office as to how many villages there are with a beriz—

(1) of not less than Rs. 4,000 but less than Rs. 6,000;
(2) of not less than Rs. 8,000 but less than Rs. 10,000; and
(3) of not less than Rs. 12,000 but less than Rs. 14,000, the financial effect of the proposal cannot be calculated but it is clear that the expenditure must be less than that under the Board's scheme. If the Government approve of the proposal, the Board may be asked to give effect to it by issuing the necessary instructions to Collectors and report the financial effect to Government in due course.

I prefer the Board's proposals to take increase of Rs. 4,000 as authorizing an increase in the pay of karnams.

J.G.
5-1-97.

Rs 4,000 is a big sum. Wouldn't Rs. 2,000 be better? I incline to think so.

H.W.B.
6-1-97.

I have thought over the matter again, and still prefer the Rs. 4,000 interval.

J.G.
16-1-97.

9. In paragraph 7 of its Proceedings the Board considers the question whether the Village Service Fund can bear the additional cost involved in the scheme. It observes that, assuming that the total relief to be ultimately granted to karnams throughout the Presidency will bear the same proportion to the present cost of karnams' establishments, that the additional expenditure of one and a half lakhs now proposed by it bears to the cost of karnams in the thirteen districts in which it is proposed to introduce the new scheme at present, the maximum expenditure on account of increase to karnams' salaries will be two and a half lakhs of rupees. To this has to be added another lakh of rupees on account of the revision of village establishments in the remaining seven districts. The total additional expenditure that will eventually have to be provided for will therefore be about $3\frac{1}{2}$ lakhs.* But the additional expenditure which will have to be provided for immediately or even in the course of the next year or two will only be about $2\frac{1}{2}$ lakhs. The total receipts with a cess of 8† pies in the rupee of assessment are estimated at about 47 lakhs which just cover the cost of the existing village establishments; but any additional expenditure which may be incurred on account of granting an increase of pay to karnams or revising the village establishments in districts in which they have not yet been revised will go to absorb the large balance of over

* This will probably be reduced to 3 lakhs if the proposal in paragraph 8 of the note is approved.

† The rate now levied.

18 lakhs that now lies to the credit of the Village Service Fund. When the major portion of this balance is absorbed in this manner, the cess may be raised to 9 pies in the rupee, as it must be, even if no relief be granted to the karnams. The receipts will then amount to at least $51\frac{1}{4}$ lakhs which were the actuals of 1895–96. But, in the meanwhile, the Revenue Settlement of Malabar and South Canara will probably have been completed with the result of a large increase in the revenue of those districts and therefore of an increase also in the Village Service Fund receipts. There is, therefore, no difficulty on the score of funds.

J.G.

This is so and the increase to the pay of karnams is not greater than is required in the interest both of the villagers and the State.

J.G.
5-1-97.

V.P.
17-12-96.

To the Hon'ble Mr. Grose.

„ „ *Mr. Bliss.*

G. Stokes.
26-12-96.

I quite agree. The case must go to India of course. In sending it up, it should be carefully shown (1) that this increase of expenditure is a necessary corollary of the schemes of the late lamented Buck, and (2) that if an increase of pay is not soon granted to the karnams we shall run an appreciable risk of an early and complete collapse in our land revenue administration. I have been expecting this for some time. The Government of India must be made clearly to understand that the karnam is the pivot on which the whole machine is balanced.

J.G.
16-1-97.

Please don't return me the papers or send them on to His Excellency on account of my small differences from the Hon'ble Mr. Grose's views. If he will not accede to my views, I will waive them.

H. W. B[liss].
6-1-97.

To the Hon'ble Mr. Grose—

With reference to the note by the Hon'ble Mr. Grose, against paragraph 3 of the office-note, I give on the margin the dates when resettlement of the several taluks of Salem is due. It will be seen that the whole district will be resettled within five years and that the greater portion of it will come on much sooner. In many of the taluks there will be a very large amount of clubbing to do and as I tried to revise the village establishment of Salem taluk while I was there I know that it will give an immense amount of trouble. The resurvey of the five taluks first mentioned is done and that of the other four is, I believe, to be very soon taken up. I saw no signs of discontent among the karnams when I was there, and so I think it would be better to let Salem stand out of these arrangements for the present.

Atúr	1899–1900
Salem	1900–1901
Námakkal	
Tiruchengódu	
Uttankarai	1901–1902
Dharmapuri	
Krishnagiri	1902–1903
Hosúr	
Tiruppattúr	

It may be postponed.

J.G.
16-1-97.

There is no information to show who the karnams on Rs. 5 are, but they are in all probability the karnams of small dry Tarafs in the sub-division and in parts of Atúr and Tiruchengódu.

G. Stokes.
12-1-97.

To Secretary—

While approving of the Board's proposals for raising the pay of karnams generally, at an additional cost of one and a half lakhs of rupees per annum, the Honourable Mr. Bliss remarked "the case must go to India of course." But as it has not been usual to submit for the sanction of the Government of India or the Secretary of State schemes for the revision of village establishments, even where the additional expenditure involved exceeded Rs. 25,000, it was proposed to refer the question to the Accountant-General in the first instance and, after some discussion, the following reference was made to that officer:—

"The Accountant-General is requested to favour Government with his opinion as to whether the Village Service Fund in this Presidency constitutes an item of 'Indian revenue' within the meaning of article 277 of the Civil Account Code, and, if so, whether revisions of village establishments should not be treated in the same way as those of process service establishments (*vide* clause 4 of the article)."

2. In reply to this the Accountant-General reports "that as the village service "fund is in effect derived from land revenue it is in my opinion an item of Indian "revenue" and that "even if this were not so, article 287 of the Civil Account Code "would bring village establishments under the rules and restrictions in article 277 and "revisions of such establishments are in my judgment liable to the general limitation "in clause (4) of that article which is only relaxed when fees or scales are levied under "the orders of a Court of Law."

3. It is not clear how or why the Accountant-General holds that "the Village Service Fund is in effect derived from land revenue." The Village Service Fund is constituted under the provisions of section 7 of the Madras Village Cess Act IV of 1893 and consists of—

(1) the balance of all funds constituted under Madras Act IV of 1861;
(2) the proceeds of the cess imposed under the Act (IV of 1893);
(3) all contributions from general revenues for the purposes of the Act (IV of 1893);

and, under section 8 of the Act, the total contributions of all kinds from general revenues to the village service fund should be equivalent to the estimated proceeds of the cess imposed under the Act.

The account procedure adopted to give effect to the above provisions is—

(1) to credit to land revenue instead of to the village service fund the quit-rents and assessments on enfranchised village service inams, and
(2) to pay from the general revenues the whole amount of contributions payable by the Government to the village service fund under section 8 of the Act.

It is the balance left after paying the Government contributions to the village service fund that is credited to land revenue, ordinary revenue to be shared between Imperial and Provincial in the proportion of 3 to 1. In the above circumstances it does not seem correct to say that village service fund is derived from land revenue any more than it would be to say that land revenue is derived from the village service fund.

4. It is not only since the introduction of Act IV of 1893 that contributions have been made from the general revenues to the village service fund. Even in previous years such contributions were made towards the cost of village service in most districts. Please see G.O., No. 615, dated 1st September 1888, in which a brief *resumé* of the correspondence on the subject is given, together with the amounts of contribution payable in each district.

5. The provision as to the application of cess under the repealed Act IV of 1864 was contained in section 5 which was as follows:—

"The proceeds of the cess hereby authorized to be levied shall be applied "towards the remuneration of the village servants employed on revenue and police "duties in the village or group of villages or township in which the cess was raised."

In the new Act (section 7) it is stated "that the 'village service fund' may be "appropriated in such manner as may be directed by Government to the remuneration

"of village officers within the area to which this Act is applied and to any other "purposes connected with the discharge of their duties or with the administration of "such fund." As under the Madras General Clauses Act (I of 1891) "Government" means "the Governor of Fort St. George in Council" it follows that in the matter of expenditure of the village service fund, the Local Government is by law the final authority and that no reference to any higher authority is needed.

6. Further, from the marginally-noted correspondence with the Government of India, it will be seen that, in the matter of expenditure of Local funds, all that is enjoined upon the Local Government is that an annual budget estimate of the various local funds should be submitted to the Government of India and that "the "object in requiring this estimate was "not to exercise any interference with the expenditure of funds which were entirely "at the disposal of the Local Governments, but merely that the Government of India "should be kept informed of the outlay for financial purposes and of the nature of the "projects in reference to their effect upon the wants of the country which remain to "be met from Imperial funds."

G.O., Nos. 603–4, dated 4th December 1861, Financial.
G.O., No. 204, dated 12th March 1862, Financial.
G.O., No. 667, dated 15th October 1863, Financial.

7. Accordingly it has not been the practice hitherto to submit to the Government of India schemes for the revision of village establishments even though such schemes involved additional expenditure exceeding Rs. 25,000 *per annum* and the Accountant-General has in fact never yet required that such sanction should be obtained.

8. It may be noted also that the ordinary rules regulating the allowances of uncovenanted servants do not apply to village officers and a rule to this effect has been inserted in the draft rules under section 20 of Madras Act III of 1895.

G.O., No. 30, dated 14th January 1890.

9. The Accountant-General having expressed his opinion on the point, it is apparently not competent to the Local Government to overrule him and sanction the Board's proposals without reference to the Government of India.

Vide articles, 290 and 291 of the Civil Account Code, Volume I.

10. In the foregoing circumstances orders are requested as to whether a further reference should be made to the Accountant-General on the question, inviting his attention to the points indicated above or whether the question should be referred to the Government of India.

That Government has struck out the provision made in the village service fund budget for 1897–98 on account of the proposal to raise the pay of the karnams under the standing order that provision for new expenditure should not be made until the measure has been duly sanctioned; and the Local Government has approved of the Accountant-General's proposal to reduce the rate of cess to 7 pies in the rupee for next fasli, so that the amount of contribution payable by Government may also be reduced. As there is a large balance to the credit of the village service fund it will be quite possible to raise the pay of karnams without raising the rate of cess for a year or two more; but in that event the rate will have to be raised sooner than otherwise, and the Government of India may not, in the present financial pressure, sanction the proposal.

V.P.
20–4–97.

To the Hon'ble Mr. Bliss.
" " " *Grose.*

G.S.
22–4–97.

I should say that the case should go to India.

H.W.B.
27–4–97.

I agree. It would not be consonant with the general relation of Local Governments to the Imperial Government if we could increase expenditure to this extent without reference to India.

J.G.
28-1-97.

Draft so.

G.S.
30-1-97.

To Secretary—

Please see draft below.

V.P.
21-5-97.

To the Financial Department u.o.

G.S.
25-5-97.

Note—

FINANCIAL DEPARTMENT.

With reference to paragraph 6 of the draft letter, it is thought that the Accountant-General is quite correct. Attention is invited to paragraph 2 of the Government of India letter in G.O., No. 464, Marine, dated 26th June 1896, which seems clearly to contemplate the restriction by executive orders (*i.e.*, by the rules in the Civil Service Regulations and Civil Account Code) of the authority vested in a Local Government by a legal enactment in the case of funds administered by a Local Government. As regards the quotation from the Government of India resolution of 1863, please see chapter 66 of the Civil Account Code which appears to contemplate the "Incorporated Local" portion of the accounts being treated under very much the same rules as the Imperial and Provincial portions (*vide* specially article 1331). This chapter really overrides the resolution of 1863 and, as a proof of the interference which the Government of India does exercise over the expenditure of Local funds, such as the village Service Fund, the elimination of the provision for raising the pay of karnams, which was originally made in the village service budget for 1897–98, may be quoted.

2. The Local and Municipal department might be consulted in the matter as it may be aware of precedents.

C.M.S.
25-5-97.

J. F. PRICE.
26-5-97.

REVENUE DEPARTMENT.

Will Local and Municipal please state if it knows of any precedents bearing on the subject of the above remarks.

G.S.
27-5-97.

LOCAL AND MUNICIPAL DEPARTMENT.

To Secretary—

The funds raised under Madras Act V of 1884 are not administered by the Local Government as in the case of the Village Service Fund, but by the Local Boards themselves, subject only to such rules as may from time to time be prescribed by the Governor in Council. Articles 277 and 287 of the Civil Account Code do not therefore apply, and accordingly the sanction of the Government of India or the Secretary of State has never been obtained for the creation or abolition of appointments carrying a pay of more than Rs. 250 a month, *e.g.*, Local Fund Engineers and Assistant Engineers, but under section 41 the sanction of the Local Government is necessary in all such cases.

V.R.
2-6-97.

That is so: but as in certain contingencies aid from Provincial revenues and even from Imperial revenues may ultimately be required to supplement local revenues or to save Local Boards from bankruptcy, the Imperial Government would not concede that, for administrative purposes, it has no voice in the expenditure of Local boards.

G. S. FORBES.
4-6-97.

REVENUE DEPARTMENT.

To Secretary—

Please see paragraph 6 of the draft letter to the Government of India regarding the proposal to raise the pay of karnams in this Presidency. Referring to the question therein raised, namely, whether, as regards the powers of sanction of the Local Government, the village service fund in this Presidency constitutes an item of "Indian revenues" within the meaning of article 277 of the Civil Account Code, the Financial department to which the draft in question was sent for counter-initials, states that the Accountant-General's view is quite correct; that is to say, that the Village Service fund is an item of Indian revenue and that, even if it were not so, article 287 of the Civil Account Code would bring village establishments under the rules and restrictions in article 277 and that revisions of such establishments would be liable to the general limitation in clause (4) of that article. In support of its opinion, the Financial department cites paragraph 2 of the Government of India letter in G.O., No. 464, Marine, dated 26th June 1896, and says, "It seems clearly to "contemplate the restriction by executive orders (*i.e.*, by the rules in the Civil Service "Regulations and Civil Account Code) of the authority vested in a Local Government "by a legal enactment in the case of funds administered by a Local Government." As regards the Government of India resolution of 1863 which leaves the expenditure of Local funds entirely to the Local Government, the Financial department states that that resolution is superseded by chapter 66 of the Civil Account Code, Volume II, and as a proof of the interference which the Government of India does exercise over the expenditure of Local funds, such as the village service fund, attention is drawn to the elimination by that Government of the provision for raising the pay of karnams which was originally made in the village service fund for 1897–98.

2. A reference was also made to the Local and Municipal department to ascertain whether there were any precedents in that department bearing on the point. From the reply, it appears that the funds raised under Madras Act V of 1884 are not administered by the Local Government as in the case of the Village Service fund and that, therefore, articles 287 and 277 of the Civil Account Code do not apply. The Local and Municipal department adds its opinion, however, that "as in certain contingencies "aid from Provincial revenues and even from Imperial revenues may ultimately be "required to supplement local revenues or to save Local Boards from bankruptcy, the "Imperial Government would not concede that, for administrative purposes, it has no "voice in the expenditure of Local funds."

3. The question for orders is whether paragraph 6 of the draft letter to the Government of India should, in the above circumstances, stand or be omitted. It is submitted that no harm would result by the proposed reference to that Government. On the other hand, we shall have an authoritative ruling on a very important point which does not seem to be altogether free from doubt.

V.P.
9-6-97.

Honourable Member and circulate.

G.S.
11-6-97.

J.G.
12-6-97.

H.W.B.
12-6-97.

I cannot make out how this additional allotment of a lakh and thirty thousand rupees, referred to in paragraph 5 of the draft letter to the Government of India, is arrived at. Please explain.

A. E. H[AVELOCK].
16-6-97.

To Secretary—

With reference to His Excellency's remarks above, it is respectfully submitted that the sum of one lakh and thirty thousand rupees represents, in round numbers, two-thirds of the sum of two lakhs * of rupees originally entered in the budget estimate of the Village Service fund for 1897-98, but withheld † by the Government of India—one lakh and a half for revising the pay of karnams in thirteen districts and half a lakh on account of four more districts, viz., Tanjore, Tinnevelly, Trichinopoly and Kistna, in which the revised scheme is expected to come into force in 1897-98. As the scheme for revising the pay of karnams is proposed to be introduced with effect from 1st July 1897, the additional allotment required for the eight months of the current official year is taken at two-thirds of two lakhs.

* Item 17 in page 4 of G.O., No 734, Revenue, dated 21st December 1896.

† *Vide* paragraph 1 of the Accountant-General's letter at page 2 of G.O., No. 149, Financial, dated 15th Feb. 1897.

C.R.
18-6-97.

Draft approved by His Excellency in Council and ordered to be despatched.

G.S.
18-6-97.

Revenue (1896) Department.

CURRENT No. 8291

GOVERNMENT OF MADRAS
16 NOV 96
SECRETARIAT DEPARTMENT

From The Board of Rev. Land Revenue

Order

No. 403 P

Dated 26. 10—96.

Received 16th November 1896

Registered 17th "

Enclosures

Spare copies

SUBJECT.

Subsq to Govt proposals for revising the pay of Karnams.

(G.P.S.)

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

PROCEEDINGS OF THE BOARD OF REVENUE

(LAND REVENUE).

RESOLUTION—No. 403, dated 26th October 1896.

In the concluding paragraph of its resolution on the proposals for the formation of a Land Record Department (Board's Proceedings, No. 354, dated 18th September 1896), the Board intimated its intention of submitting to Government a scheme for improving the position of karnams throughout the Presidency. It was pointed out that the orders of recent years had thrown upon these servants of Government a very considerable increase of work for which, as yet, no increase of pay had been granted, and the Board added that signs were not wanting of a widespread feeling amongst these officials that the scale of remuneration was not commensurate with the services rendered. The Board now submits for the orders of Government its proposals for increasing the pay of village karnams in all districts of the Presidency, except Madras and the Nilgiris.

2. Appendix A shows the number of karnams on the different rates of pay in each district of the Presidency, excluding Madras, while Appendix B shows the establishment of karnams in the twelve districts to which the scale, usually called the Anantapur scale, has already * been applied. The proposals of the Board on the present occasion are intended to be given effect to at once in these twelve districts, as also in Gódávari, as shown in Appendix B; while the same principles will be applicable to districts whose village establishments may be revised hereafter.

* As regards two of these districts, Bellary and Kurnool, the figures entered are those proposed by the Board in its Proceedings, No. 404, dated 26th October 1896, and No. 307, dated 20th August 1895.

3. The following statement compares the present and proposed standards of village establishments so far as karnams are concerned :—

Beriz.	Rate of pay of karnams.		Number of karnams in twelve districts.		Cost of karnams.	
	Present.	Proposed.	Present.	Proposed.	Present.	Proposed.
	Rs.	Rs.	No.	No.	Rs.	Rs.
Under Rs. 2,000	6	8	2,860	6,735	17,160	53,880
Rupees 2,000 and above	7		3,875		27,125	
„ 4,000 „	8	10	973	973	7,784	9,730
„ 8,000 „	10	12	162	162	1,620	1,944
„ 12,000 „	12	15	49	60	588	900
„ 16,000 „	15		11		165	
			7926	7130	54,442	66,454
					12	12
					6,53,304	7,97,448
Additional cost per annum						Rs. 1,44,144
Add additional cost in Gódávari as shown in Appendix B						5,016
Total additional cost						1,49,160

The Board proposes that the pay of the lowest grade of karnams should, in future, be fixed at Rs. 8 per mensem, and that karnams now drawing Rs. 7 as well as those now drawing Rs. 6 may be placed in this grade. The alternative of giving the karnams on Rs. 7 an increase of Rs. 2 each per mensem, which would mean an additional charge of nearly a lakh of rupees per annum on this item only, does not commend itself to the Board.

4. The increases proposed to the pay of karnams now drawing Rs. 8, 10 and 12, respectively, will entail an additional cost of Rs. 2,417 per mensem, or Rs. 29,004 per annum on the whole. It will be seen that no increase is proposed to the karnams now drawing Rs. 15 each. In other words, the karnams now drawing Rs. 15 will be assimilated to those drawing Rs. 12, just as those drawing Rs. 7 are assimilated to those drawing Rs. 6. The total number of grades of karnams will thus be reduced from six to four.

5. A remark is called for with regard to the district of Gódávari. The scale adopted for determining the pay of village officers in this district was as follows :—

Beriz.	Karnam's pay.
	Rs.
Under Rs. 2,000	6
Rupees 2,000 and less than Rs. 5,000	8
„ 5,000 „ „ 7,500	10
„ 7,500 „ „ 10,000	12
„ 10,000 „ „ 15,000	15
„ 15,000 and above	20

The following statement compares what a karnam in charge of a village with a given beriz would get in one of the districts at present on the Anantapur scale with what he would get if the village were in Gódávari, and again with what he would get according to the proposed general scale for karnams :—

Beriz of village.	Karnam's pay on		
	Anantapur scale.	Scale proposed by the Board.	Gódávari scale.
Rs.	Rs.	Rs.	Rs.
1,500	6	8	6
5,000	8	10	10
8,000	10	12	12
12,000	12	15	15

It will be seen from the above comparison that the principal change required to bring the Gódávari scale for karnams into harmony with that proposed by the Board is that karnams in charge of villages with a beriz less than Rs. 2,000 each should get Rs. 8 each instead of Rs. 6 as at present. A few minor points of difference will still remain, *e.g.*, in the case of karnams of villages whose beriz ranges between Rs. 4,000 and Rs. 5,000, but these differences may be set right at the next revision of village establishments in Gódávari. The Board does not at present propose to disturb the special rate of pay (Rs. 20 per mensem), drawn by karnams in charge of villages with a beriz of Rs. 15,000 and above: but the question of dispensing with this rate will be considered when the revised scheme for the district is submitted.

6. *The remaining districts.*—Some time must elapse before the increase to karnams' salaries can be given effect to in the districts not shown in Statement B. This period will, however, not exceed a few months in the case of Tanjore and Trichinopoly, for which districts schemes of revision of village establishments are expected from the Collectors at an early date, and also in the case of Tinnevelly the scheme for which is under consideration in the Board's office. In Salem, South Canara and Malabar, the Board considers that the introduction of resettlement in the case of Salem, and of settlement in the case of the other two districts, may be awaited before revising the

present village establishments. The Collector of Kistna will be asked to report when the scheme already called for for revising the village establishments in his district may be expected.

7. *Cost of the scheme.*—The cost of the scheme, so far as the thirteen districts shown in statement B are concerned, will be an additional expenditure of Rs. 1,49,160 or in round numbers, one and a half lakhs of rupees per annum. Supposing the present rate of cess, *viz.*, 8 pies in the rupee is maintained, the balance to the credit of the Village Service Fund will suffice, during the next two or three years, to defray this additional cost. When the rate of 9 pies in the rupee is re-imposed, as it must be, after a time, even if no relief were granted to karnams, the annual proceeds of the cess, on the present land revenue, may be estimated at 25 lakhs of rupees per annum; and with a corresponding Government contribution the assets of the fund may be set down at 50 lakhs. The present annual charges of the Village Service Fund amount to 46 lakhs, so that a sum of 4 lakhs of rupees will be available, without enhancing the rate of cess, for carrying out improvements to village establishments. Assuming that the total relief to be ultimately granted to karnams throughout the Presidency will bear the same proportion to the present cost of karnams' establishments that the additional expenditure of one and a half lakhs, now proposed, bears to the cost of karnams in the thirteen districts shown in statement B, the maximum expenditure on account of increase to karnams' salaries will be two and a half lakhs of rupees for the Presidency, a sum which will still be less than the estimated annual balance referred to above.

(True Extract.)

Acting Secretary.

To the Secretary to Government, Revenue Department.

Exd. Md. Pahilvan.

STATEMENT A.

Rate of pay per mensem.	Number of karnams.											
	Ganjám.	Vizagapatam.	Gódávari.	Kistna.	Nellore.	Cuddapah.	Anantapur.	Bellary.	Kurnool.	Chingleput.	North Arcot.	South Arcot.
1	2	3	4	5	6	7	8	9	10	11	12	13
RS. A. P.												
20 0 0	..	..	20	26	..	..	..	1	..	..	..	..
19 0 0	..	..	..	18	..	..	..	..	..	..	..	..
18 0 0	..	..	..	19	..	..	..	..	..	..	..	..
17 0 0	..	..	..	35	..	..	..	..	..	..	..	..
16 0 0	..	..	..	..	..	..	..	..	..	..	..	..
15 0 0	..	..	51	50	7	..	..	5	..	..	..	..
14 0 0	..	..	..	..	..	..	..	..	..	..	..	..
13 0 0	..	..	..	64	..	..	..	..	..	..	..	..
12 0 0	1	..	61	..	14	1	2	10	5	5	1	..
11 0 0	..	..	..	54	..	..	..	..	..	..	..	..
10 0 0	..	3	110	66	34	9	3	34	11	9	6	1
9 0 0	..	..	..	52	..	..	..	..	1	..	..	..
8 8 0	..	..	..	..	..	..	..	..	..	..	..	..
8 0 0	13	33	284	135	125	97	35	164	66	70	88	117
7 8 0	..	1	..	..	..	..	..	..	..	..	..	..
7 0 0	119	112	..	77	224	309	123	..	267	378	514	919
6 0 0	234	25	209	150	161	297	340	312	347	212	355	418
5 0 0	..	..	..	394	..	..	..	..	..	..	..	..
4 0 0	..	..	..	..	..	..	..	..	..	..	..	..
3 0 0	..	..	..	..	..	..	..	..	..	..	..	..
2 0 0	..	..	..	..	..	..	..	..	..	..	..	..
1 6 4	..	..	..	..	..	..	..	..	..	..	..	..
1 0 0	..	..	..	..	..	..	..	..	..	..	..	1
0 8 0	..	..	..	..	..	..	..	..	..	..	1	..
Total ..	367	174	735	1,140	565	713	503	526	697	674	965	1,456

Rate of pay per mensem.	Number of karnams—*cont.*										Cost per mensem.	Rate of pay.
	Tanjore.	Trichinopoly.	Madura.	Tinnevelly.	Coimbatore.	Nilgiris.	Salem.	South Canara.	Malabar.	Total.		
1	14	15	16	17	18	19	20	21	22	23	24	25
RS. A. P.											RS. A. P.	RS. A. P.
20 0 0 ..	..	..	..	..	..	..	..	..	..	47	940 0 0	20 0 0
19 0 0 ..	..	..	..	..	..	..	..	..	..	18	342 0 0	19 0 0
18 0 0 ..	..	..	..	..	..	..	..	..	..	19	342 0 0	18 0 0
17 0 0 ..	..	..	..	..	..	..	..	..	..	35	595 0 0	17 0 0
16 0 0 ..	..	..	..	..	..	10	..	..	9	19	304 0 0	16 0 0
15 0 0 ..	..	..	..	24	3	..	..	..	..	140	2,100 0 0	15 0 0
14 0 0 ..	..	..	..	22	..	2	..	..	..	24	336 0 0	14 0 0
13 0 0 ..	..	..	..	30	..	..	..	..	..	94	1,222 0 0	13 0 0
12 0 0 ..	..	..	5	56	7	12	..	..	14	194	2,328 0 0	12 0 0
11 0 0 ..	..	..	..	77	..	..	..	..	..	131	1,441 0 0	11 0 0
10 0 0 ..	..	1	36	74	38	..	145	52	..	632	6,320 0 0	10 0 0
9 0 0 ..	19	43	..	42	..	..	81	41	..	279	2,511 0 0	9 0 0
8 8 0 ..	..	..	..	..	..	..	..	..	1	1	8 8 0	8 8 0
8 0 0 ..	632	198	101	51	140	..	118	109	1	2,577	20,616 0 0	8 0 0
7 8 0 ..	..	..	..	..	..	..	..	..	..	1	7 8 0	7 8 0
7 0 0 ..	778	406	237	59	406	..	161	..	..	5,089	35,623 0 0	7 0 0
6 0 0 ..	13	158	112	68	219	..	117	..	413	4,160	24,960 0 0	6 0 0
5 0 0 ..	..	..	..	44	..	..	115	86	..	639	3,195 0 0	5 0 0
4 0 0 ..	..	..	..	154	..	..	122	..	..	276	1,104 0 0	4 0 0
3 0 0 ..	..	..	..	9	..	..	67	..	..	76	228 0 0	3 0 0
2 0 0 ..	..	..	..	22	..	..	1	..	..	23	46 0 0	2 0 0
1 6 4 ..	..	..	..	..	..	..	..	..	..	1	1 6 4	1 6 4
1 0 0 ..	..	..	..	87	..	..	11	..	..	99	99 0 0	1 0 0
0 8 0 ..	..	..	..	2	..	..	..	..	..	2	1 0 0	0 8 0
Total ..	1,442	806	491	821	813	24	938	288	438	14,576	1,04,670 6 4	
Cost per annum ..											12,56,044 12 0	

APPENDIX B.

Beriz and corresponding rate of pay.		Number of karnams in twelve districts whose establishments are on the Anantapur scale and in Gódávari which has a scale of its own.								
Beriz.	Pay.	Anantapur.	North Arcot.	South Arcot.	Bellary.	Chingleput.	Coimbatore.	Cuddapah.	Ganjám.	Kurnool.
1	2	3	4	5	6	7	8	9	10	11
	RS. 20	..	..	..	..	..	..	..	..	..
I. Rs. 16,000 and above.	15	..	..	..	1	..	3	..	..	..
II. „ 12,000 „ ..	12	2	1	..	8	5	7	1	1	5
III. „ 8,000 „ ..	10	3	6	1	15	9	38	9	..	8
IV. „ 4,000 „ ..	8	35	88	117	84	70	140	97	13	70
V. „ 2,000 „ ..	7	123	514	919	265	378	406	309	119	268
VI. Under Rs. 2,000 ..	6	340	355	418	170	212	219	297	234	317
Total ..	..	503	964	1,455	543	674	813	713	367	668

Beriz and corresponding rate of pay.		Number of karnams in twelve districts whose establishments are on the Anantapur scale and in Gódávari which has a scale of its own—*cont.*					Total cost of existing establishments in thirteen districts including Gódávari.	Proposed additional cost in Gódávari at Rs. 2 per mensem extra in the lowest grade.	Additional cost in other districts at Re. 1 per mensem extra in grade V, Rs. 3 per mensem extra in grade II, and Rs. 2 per mensem in other grades except grade I.	Total cost including the increases shown in columns 18 and 19.
Beriz.	Pay.	Madura.	Nellore.	Vizagapatam.	Total.	Gódávari.				
		12	13	14	15	16	17	18	19	20
	RS. 20	..	..	..	..	20	RS. 400	RS. ..	RS. ..	RS. 400
I. Rs. 16,000 and above.	15	..	7	..	11	51	930	..	..	930
II. „ 12,000 „ ..	12	5	14	..	49	61	1,320	..	147	1,467
III. „ 8,000 „ ..	10	36	34	3	62	110	2,720	..	324	3,044
IV. „ 4,000 „ ..	8	101	125	33	973	284	10,056	..	1,946	12,002
V. „ 2,000 „ ..	7	237	224	113	3,875	*Nil.*	27,125	..	3,875	31,000
VI. Under Rs. 2,000 ..	6	112	161	25	2,860	209	18,414	418	5,720	24,552
Total ..	..	491	565	174	7,930	735	60,965 12	418 12	12,012 12	73,395 12
							7,31,580 (per annum).	5,016 (per annum).	1,44,144 (per annum).	8,80,740 (per annum).

Note.—The figures entered for Bellary and Kurnool are those of the schemes submitted to Government with Board's Proceedings, No. 404, dated 26th October 1896, and No. 307, dated 20th August 1895. The figures for the other districts represent the establishments as they stood on 1st September 1895. The Kurnool figures do not take into account the special increases sanctioned for seven curnams in the district.

REVENUE DEPARTMENT.

1896.

Board of Revenue

(Land Revenue),

MADRAS.

Printed November th.

Proceedings, No. 403, 26*th October* 1896.

Submitting to Government proposals for raising the pay of karnams.

477-75.

I do not see the necessity for the ref^ce. Art. 277 (a) seems clearly to require the sanction of State. "Indian Revenue", as I take it, includes Imperial, Provincial & Local revenues.

D
21.1.97

It has not been usual to submit for the sanction of the Govt of India or the Secy of State schemes for the revision of village establishments even where the addl expenditure involved exceeded Rs 25000 - for instance in 1882 the scheme for Salem wh. involved an addl expenditure of Rs 4,3,288-4-9 was sanctioned by this Govt - vide G.O. No. 1152 dt 19-10-82. Similarly in 1890 the scheme for Madura the addl expenditure of which was over Rs 70,000 - was sanctioned by this Govt. vide G.O. 52 dt 21-1-1890.

Village officers are paid from a special Fund called the "village service Fund" which is raised under sec 7 of Act IV of 1893 and this section further says P.T.O.

Submitted A.G.
with Copy of B.P.

The Hon'ble Mr. Ilbert

O.M.

The undersigned has the honor to forward a copy of B. of R. No 403 L.R. dt 26-10-96 and to enquire whether the scheme for raising the pay of karnams therein referred to which involves an additional expenditure of about 1½ lakhs of rupees per annum may, if approved be sanctioned by this Govt. If not it is requested that the name of the authority competent to sanction the scheme and the orders under which such sanction is required may be reported.

D
21.1.97

Note

Art. 287 of the civil account code does not seem to apply to the case. The above reference to the A.G. is submitted with reference to the Hon'ble Mr Bliss's remarks on p. 15 of the note for orders on C.P.O. 8291 of 1896.

On receipt of the A.G.'s reply a draft order will be submitted.

C.P.
(29/1/97)

*** that the fund may be appropriated in such manner as may be directed by Govt. to the remuneration of village officers &c.

All this shows that the point is not free from doubt and to save the trouble & delay of a reference to India which may turn out to be unnecessary, it is thought desirable to refer the matter to the A.G. in the first instance. C.P.
29/1/97

My recollection is that before the Act of '93 was passed impl. women did not contribute directly to the V. Service fund. How do they do? Does not this difference constitute a reason for reference to India? I should say it certainly would, if the increase to the pay of the Karnams necessitated an increase in the rate of cess, involving an increase in the amt. of the impl. contribution; just so, not. How will it be in this?

HS
27/1/97

The draft order should be put in hand at once D
27.1.97

Submitted with the Hon'ble Mr Bliss's note on p. 15 of the note for orders with reference to his remarks.

The order in question is in my opinion strictly an appropriation in particular way of the amount of the Village Service fund. Such appropriations are by the Act entirely entrusted to the power of Govt i.e. the Govt of Madras. The legislature has not altered by the fact that a contribution is made to this fund from General revenues. In such fund from General revenues. In such Contribution is made entirely without any regard to this appropriation of that fund made. I do not think that Govt can err in any authoritative ruling. HS 1/1/97.

48 Rev/10-3-97

D/7 500—14-5-96.

Revenue Department.

No. 18.

OFFICIAL MEMORANDUM.

21

The Acct. General is requested to favour Govt. with his opinion as to whether the Village Service Fund in this Presidency constitutes an item of "Indian Revenue" within the meaning of Art. 277 of the Civil Acct. Code

RD
29-1-97

and, if so, whether revisions of village establishment should be treated in the same way as those of process-service establishments (vide Clause (c) of the Article)

The Acct. Genl.
Des. 3-2-97

29/1/97.

For Sh. Govt.
29.1.97

Revenue (1897) Department.

CURRENT No. 2284

GOVERNMENT OF MADRAS
13 MAR 97
REVENUE

From

The Accountant General
to the Govt of Madras

No. 842

Order

Dated 12th March 97
Received 13th
Registered 13th
Enclosures
Spare copies

SUBJECT

Re planning when the Code rules can be relaxed in connection with the revision of the Village Service Fund Establishments.

Approved
15/3/97

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

Book Department.

Fort St. George,
Accountant-General's Office,
12th March 1897.

No. 842

30

From Y. C. Harrison Esqre.,
Offg. Accountant-General to the
Government of Madras,

To
The Secretary to Government,
Revenue Department.

Sir,

In reply to the Official Memorandum No. 18, dated the 29th January 1897 I have the honour to state that as the Village Service Fund is in effect derived from Land Revenue, it is in my opinion an item of Indian Revenue. Even if this were not so, Article 287 of the Civil Account Code would bring Village Establishments under the rules and restrictions in Article 277, and revisions of such Establishments are in my judgment liable to the general limitation in Clause (2) of that article which is only relaxed when fees or scales are levied under the orders of

a

(189) DEPARTMENT.

From

THE ACCOUNTANT-GENERAL,

MADRAS,

To

THE

No.

Dated
Received

No.

Subject.

Cor.—5,000—4-6-96.

D
4 1,000—11-6-96.

REVENUE DEPARTMENT.

Subject - Proposal to raise the pay of Karnams

The Hon. Mr. Grose C.S.
The Hon. Mr. Boles C.S.

C. No. 8291 0716

From the Board of R.

B.P. (R.D.), No. 2130 dated 7-12-97

To Secy

Dated 189 .

FOR ORDERS:

Notes communicated to Govt by B.P. dated 7-12-97

Note for Mr. Price

Please see B.P. dated 7-12-97 with connected papers

Secy to Govt Revenue

To Mr. Price

In the current read above, the Board of Revenue submit a scheme for increasing the pay of village Karnams in all Districts of the Presy except Madras and Nilgiris. The Board's proposals are clearly explained in its Pro. to which attention is solicited. The points for orders are :-

(1) Whether the pay of karnams should be increased

(2) If so, is the increase to be general, i.e., to be allowed at once to all karnams

FOR ORDERS.

in the Presy or is it to be limited to Ramnaus in selected districts only at the outset and extended to the other districts gradually hereafter and

(3) What should be the increase to be granted.

2. As regards the first point, attention is invited to the concluding para of B.P. dt 18-9-96 No 3524 dR in which the grounds for raising the pay of Karnams are fully and clearly set forth. There seems to be no doubt whatever that of late years the work of Karnams has considerably increased and that these offices are not sufficiently well

Yes - two Retrenchments have been made in connection with it.

[illegible] but why has this accountancy work been increased but they are being compelled to do it.

[illegible]

2

3 well paid for the services demanded of them. It is presumed therefore that an increase to their emoluments will be sanctioned as recommended by the Board of Revenue

3. On the second point, the Board's proposals do not apply to Madras and Nilgiris as Karnams in Madras form part of the taluk establishment while those in the Nilgiri district are already sufficiently highly paid, their pay ranging from Rs 12 to 16. The remaining 20 districts, the Board divides into two classes:-

(a) Those in which what is known as the Anantapur scale is now in force, and

and also the Godavari district which has a scale of its own and

(4) other districts in which the village establishments have yet to be revised.

The Board's proposals are intended to be given effect to at once in all the districts included in class (a). In districts included in class (b) i.e. in Tanjore, Trichinopoly, Tinnevelly, Salem, Kistna, Malabar and South Canara village officers are not paid on a uniform scale as in the other districts and the Remarks "pay does not therefore admit of uniform treatment for purposes of granting increased salaries. The Board accordingly

accordingly proposes to award the increase when the establishments in these districts are revised. It is expected that in Tanjore, Trichinopoly, Tinnevelly and Kistna the revision of village establishments will be completed by next year (97-98) while as regards Salem, South Canara and Malabar the Board considers that the introduction of re-settlement in the case of Salem and of settlement in the case of the other two districts may be awaited before revising the present village establishments.

4. As regards the third point, the Board's proposal is to reduce the existing number of grades of

I think we may postpone Salem re-settlement

of Karnams from 6 to 4 and to fix the minimum pay of a Karnam at Rs 8 and the maximum at Rs 15. The existing Amanta-pay scale and that proposed by the Board are compared below:-

The number of grades is a matter of little consequence. I think 4 is too few. But the minimum pay ought to be Rs 8.

11/6/97/6.

I really think we ought to go higher than Rs 15. Whether we can afford it, is another matter

BB

I think R 15 will do.

JS 16/6/97

District	Rate of pay of Karnams	
	Present	Proposed.
Under Rs 2000	6	8
Rs 2000 & above	7	
Rs 4000 & do—	8	10
Rs 8000 & do—	10	12
Rs 12000 & do—	12	15
Rs 16000 & do—	15	

It will be seen from appendix B to the Board's Pro. that the effect of applying the proposed scale to the 12 districts in which the Amanta pay scale is now in force will be

(a) that 2880 Karnams

Karnams who are drawing Rs 6 each per mensem and 3875 Karnams who are drawing at the rate of Rs 7 will all draw in future Rs 8 each

(b) that 973 Karnams who are drawing Rs 8 each will draw Rs 10

(c) that 162 Karnams who are drawing Rs 10 will draw Rs 12 each and

(d) that 49 Karnams who are drawing Rs 12 each will draw Rs 15 per mensem

The additional expenditure involved will therefore be

12 × {2880 × 2 + 3875 + 973 × 2 + 162 × 2 + 49 × 3} or Rs 144.144. per annum.

As regards Godavari, the scale adopted in that district for determining the pay of

of village officers was as follows:—

Beriz.	Karnams pay Rs.
Under Rs 2000 — — —	6
Rs 2000 and less than Rs 5000 — —	8
" 5000 — " 7500 — —	10
" 7500 — — " 10000 — —	12
" 10000 — — " 15000 — —	15
" 15000 and above — —	20

It will be seen from the above that the principal change required to bring the Godavari scale into harmony with that proposed by the Board is that karnams in charge of villages with a beriz of less than Rs 2000 each should get Rs 8 each instead of Rs 6 as at present. There are 209 of this grade and the additional expenditure will therefore be Rs 418 p.m. or 5016 per annum. There are also a few minor points of difference but the Board

Might Govt. this be kept back after resettlement?

Yes — But I think the Rs 20 men might possibly be cut down to Rs 15. However there are so few of these that it does not matter much

I think with Land Letters the light advance for here present.

JG
16/1/97

Board would leave these as also the question of dispensing with the special rate of pay of Rs 20 to be dealt with at the next revision of village establishments in the District.

6. The following statement compares the present and proposed standards of village establishments so far as karnams are concerned :—

Beriz.	Rate of pay of karnams.		Number of karnams in twelve districts.		Cost of karnams.	
	Present.	Proposed.	Present.	Proposed.	Present.	Proposed.
	RS.	RS.	NO.	NO.	RS.	RS.
Under Rs. 2,000	6	8	2,860	6,735	17,160	53,880
Rupees 2,000 and above	7		3,875		27,125	
" 4,000 "	8	10	973	973	7,784	9,730
" 8,000 "	10	12	162	162	1,620	1,944
" 12,000 "	12	15	49	60	588	900
" 16,000 "	15		11		165	
					54,442	66,454
					12	12
					6,53,304	7,97,448
Additional cost per annum						RS. 1,44,144
Add additional cost in Godavari as shown in Appendix B ..						5,016
Total additional cost ..						1,49,160

19th

7. The additional cost involved — namely 1½ lakhs of Rupees has been provided for in the Village Service Fund Budget for 1897–98 and orders are requested as to whether the Board's proposals

may be approved.

8. It is submitted that the minimum pay of a karnam may be fixed at Rs 8 as suggested by the Board. But as regards higher grades if instead of adopting the Board's proposal to allow an increase of Rs 2 in pay for every increase of Rs 4000 in the berij, an increase of Re 1 is allowed for every increase of Rs 2000 in the berij as noted in the margin, the cost of the scheme may be reduced to some extent. To this proposal it may be objected that it creates too many grades but the objection does not appear to be very serious, especially when it is considered that

Berij	Pay proposed Re.	Amount on Scale
Less than Rs 4000	8	6+7
Rs 4000 and above	9	8
Rs 6000 —do—	10	
Rs 8000 —do—	11	10
Rs 10000 —do—	12	
Rs 12000 —do—	13	12
Rs 14000 —do—	14	
Rs 16000 —do—	15	15

Note

It will be seen from the above that all karnams except those in charge of villages the berij of which is not less than Rs 16000, will get some increase of pay — an increase proportionate to the work they have to perform.

that the proposal will tend to lessen ~~the~~ expenditure, without in any way ignoring the principle that pay should as far as possible be proportionate to work.

As no information is available in the Govt office as to how many villages there are with a berij of not less than 4000 Rs but less than 6000 Rs; (2) of not less than Rs 8000 but less than Rs 10000 and (3) of not less than Rs 12000 but less than Rs 14000; the financial effect of the proposal cannot be calculated but it is clear that the expenditure must be less than that under the Board's scheme. If the Govt approve of the proposal

the Board may be asked to give effect to it by issuing the necessary instructions to collectors and report the financial effect to Govt in due course.

9. In para 7 of its Proc, the Board considers the question whether the village service Fund can bear the additional cost involved in the scheme. It observes that assuming that the total relief to be ultimately granted to Ratnams throughout the Presy will bear the same proportion to the present cost of Ratnams establishments that the additional expenditure of one and a half lakhs now proposed will bear

12

Rs 4000 is a big amount. Would it not be better if Rs 2000 be fixed? Please check & think so.

BS

I have to speak over the matter again, & shall forward this Rs 4000 thereafter

JG 16/1/97

13

bear to the cost of Ratnams in the thirteen districts in which it is proposed to introduce the new scheme at present, the maximum expenditure on account of increase to Ratnams' salaries will be two and a half lakhs of rupees. To this has to be added another lakh of rupees on account of the revision of village establishment in the remaining 7 districts. The total additional expenditure that will eventually have to be provided for will therefore be about $3\frac{1}{2}$* lakhs. But the additional expenditure which will have to be provided for immediately or even in the course of

* This will probably be reduced to 3 lakhs if the proposal in para 8 of the note is approved.

of even the next year or two will only be about 2½ lakhs. The total receipts with a cess of 8 pies in the rupee of assessment are estimated at about 47 lakhs which just cover the cost of the existing village establishments; but any additional expenditure which may be incurred on account of granting an increase of pay to Karnams or revising the village establishments in districts in which they have not yet been revised will go to absorb the large balance of over now 18 lakhs that lies to the credit of the Village Service Fund. When the major portion of this balance is absorbed in this

16/1/97

15

manner, the cess may be raised to 9 pies in the rupee, as it must be, even if no relief be granted to the Karnams. The receipts will then amount to at least 51¼ lakhs which were the actuals of 1895-96. But in the meanwhile, the Board Revenue Settlement of Malabar and South Canara will probably have been completed with the result of a large increase in the Revenue of those districts and therefore of an increase also in the Village Service Fund receipts. There is, therefore, no difficulty in the Secretary of funds.

16/12/96.

* Asked because (1) that this income [illegible] Government [illegible] the Act [illegible] amount of the additional [illegible] of pay [illegible] is not [illegible] from [illegible] Board 2(2) that if the [illegible] Karnam is [illegible] complete [illegible] this [illegible] the Karnam is the [illegible] Please [illegible] account of any [illegible] village [illegible]

[illegible] not precedent [illegible] is required in two [illegible] [illegible] by the village [illegible]

I quite agree - The case should to be [illegible] - [illegible] forwarding it with [illegible]

C.R. 12 Dec 96.

D/4 1,000—20-2-96.

REVENUE DEPARTMENT.

No.

To Collector

From

Dated 189 .

FOR ORDERS.

Thané	1899–1900
Salsette.	1900–1901 do.
Panvel.	do.
Pachumbet.	do.
Uttankowai.	do.
Bhiwandi.	1901–2
Kalyan.	do.
Sasseé.	1902–3
Tripatné.	do.

With reference to the note by the Hon'ble Govt. on page 5 of the note for orders annexed. I give on the margin the details of the re-settlement of the several Talukas of Salsette in close. We will be sure that the whole district will be resettled within 5 years. and that the fresh settlement of it will come on much sooner. In many of the Talukas there will be a very large amount of clubbing to do and as I tried to revise the existing settlement of Salsette Taluka while I was there I know that it will give an immense amount of trouble. The Resurvey of the 5 Talukas first mentioned is done & that of the other four is I believe the very soon before us. I have no hopes of their

among the Karnams when I am there and so I think it will be better to [illegible] Salem & Nand out of these amendments in this proceedings

Illegible

There is no information to show who the Karnams on 5th are. But they are in all probability the Karnams of small dry Taroys in the Out divisions in Ganjam Ahmi and Trichinopoly.

Illegible

FOR ORDERS.

It may be postponed

JG

16/5/97

Mr Maycock Bales C.S.C.
Mr Hon. the Govr C.S.

I should say that the case should go to India

HS

27/4/97

I agree. We would not be concerned with the general relations of Local Govts to the Imperial Govt. if we could measure expenditure with extent without reference to India

18d, 29.1.97

JG

28/4/97

Illegible

Dept Secy.

Illegible 30/4/97.

From

Copy

10

27/4/97 Received 11

Note.

While approving of the Board's proposals for raising the pay of karnams generally, at an additional cost of 1 1/2 lakhs of Rupees per annum, the Hon'ble Mr. Bliss remarked 'The case must go to India of course'. But as it has not been usual to submit for the sanction of the Govt. of India or the Secretary of State schemes for the revision of village establishments, even where the additional expenditure involved exceeded Rs.25000 it was proposed to refer the question to the Accountant-General in the first instance and after some discussion, the following reference was made to that officer:-

'The Accountant-General is requested to favor Govt. with his opinion as to whether the village service Fund in this Presidency constitutes an item of 'Indian Revenue' within the meaning of Article 277 of the Civil Account Code and, if so, whether revisions of village establishments should not be treated in the same way as those of process Service establishments (vide clause 4 of the Article)'.

In

vious

In reply to this the Actt. General reports 'that as the village Service Fund is in effect derived from Land Revenue it is in my opinion an item of Indian - Revenue' and that 'even if this were not so Art.287 of the Civil Account Code - would bring village establishments under the rules and restrictions in Article - 277 and revisions of such establishments are in my judgment liable to the general limitation in clause (4) of that Article which is only relaxed when fees or --- scales are levied under the orders of a Court of Law'.

3. It is not clear how or why the - Accountant-General holds that 'the village Service Fund is in effect derived from Land Revenue'. The village Service Fund is constituted under the provisions of section 7 of the Madras Village Cess Act IV of 1893 and consists of

(1) the balance of all funds constituted under Madras Act IV of 1864

(2) the proceeds of the Cess imposed under the Act (IV of 1893)

(3) all contributions from general revenues for the purposes of the Act (IV of 1893)

and under §8 of the Act, the total contributions of all kinds from general - revenues

Para 1 & 2 of G.S.I.C. Compilation of G.O.M.C. No. 1041 1-1-1935.

Para 6 of B.P. 56 20-2-95

revenues to the Village Service Fund - should be equivalent to the estimated proceeds of the Cess imposed under the Act.

The Account procedure adopted to give effect to the above provisions is

(1) to credit to Land Revenue instead of to the village Service Fund the quit rents and assessments on enfranchised village service inams and

(2) to pay from the general revenues the whole amount of contributions payable by the Govt. to the village Service Fund under section 8 of the Act

It is the balance left after paying the Govt contributionsto the village service Fund that is credited to Land Revenue, ordinary Revenue, to be shared between Imperial and Provincial in the proportion of 3 to 1. In the above circumstances it does not seem correct to say that village service Fund is derived from Land Revenue.any more than it would be to say that Land Revenue is derived from the village Service Fund.

4. It is not only since the introduction of Act, IV of 1893 that contributions have been made from the general revenues to the village Service Fund- Even in previous

-vious years such contributions were made towards the cost of village service in - most districts. Please see G.O.No.615 dated 1-9-88 in which a brief resume of the - correspondence on the subject is given, together with the amounts of contribution payable in each district.

5. The provision as to the application of Cess under the repealed Act IV of - 1864 was contained in section 5 which - was as follows:-

'Thr proceeds of the Cess hereby authorized to be levied shall be applied towards the remuneration of the village servants employed on Revenue and Police duties in the village or group of villages or township in which the Cess was raised'.

In the new Act (sec.7) it is stated "that the 'Village Service Fund' may be appropriated in such manner as may be directed by Govt, to the remuneration of village officers within the area to which this Act is applied and to any other - purposes connected with the discharge of their duties or with the administration of such Fund". As under the Madras General Clauses Act (1 of 1891) 'Govt.' means 'the Governor of Fort St. George in Council it follows that in the matter of expenditure of the Village Service - Fund the local Govt is by law the final authority and that no reference to any higher authority is needed.

G.O. 603-.., d 4.12.1861. Final
" 204 d 12.8.1862. do
" 667 d 15.10.1863 do

6. Further from the marginally noted - correspondence with the Govt of India, it will be seen that, in the matter of expenditure of Local Funds, all that is enjoined upon the Local Govt is that an annual Budget estimate of the various local Funds should be submitted to the Govt of India and that 'the object in requiring this estimate was not to exercise any interference with the expenditure of funds which were entirely at the disposal of the Local Govts. but merely that the - Govt of India should be kept informed of the outlay for financial purposes and of the nature of the projects in reference to their effect upon the wants of the - country which remain to be met from Imperial Funds'.

7. Accordingly it has not been the practice hitherto to submit to the Govt of India schemes for the revision of village establishments even though such schemes involved additional expenditure exceeding Rs.25000 per annum and the Accountant-General has in fact never yet required that

Please see statement attached

12

9.5
25.7.07

that such sanction should be obtained.

8. It may be noted also that the ordinary rules regulating the allowances of uncovenanted servants do not apply to village officers and a rule to this effect has been inserted in the draft rules under section 20 of Madras Act III of 1895.

9. The Accountant-General having expressed his opinion on the point, it is apparently not competent to the Local Govt to over rule him and sanction the Board's proposals without reference to the Govt of India.

10. In the foregoing circumstances orders are requested as to whether a further reference should be made to the Accountant-General on the question, inviting his attention to the points indicated above or whether the question should be referred to the Government of India.

That Govt has struck out the provision made in the Village Service Fund Budget for 1897-98 on account of the proposal to raise the pay of the Curnams under the standing orders that provision for new expenditure should not be made until the measure has been duly sanctioned; and the Local Govt has approved of the Accountant-General's proposal to reduce the rate of cess to 7 pies in the rupee for next fasli, so that the amount

Vide G.O.30 d/ 14-1-90.

Vide Art: 290+291 of the C.A.C. Vol.I

amount of contribution payable by Govt may also be reduced. As there is a large balance to the credit of the Village Service Fund it will be quite possible to raise the pay of curnams without raising the rate of Cess for a year or two more; but in that event the rate will have to be raised sooner than otherwise and the Govt of India may not, ~~if any reference be made to it~~ in the present financial pressure, sanction the proposal.

20 Apr 97

22/4/97.

To the Hon Member in charge

Please see Dept letter

V.P.
21.5.97

To the Revl. Dept

G.S
25.5.97

District	G.O. sanctg present scheme	cost of present scheme Rs	cost of the old scheme Rs	Difference Rs	Remarks
S. Canara	1152 / 19-10-82	77.263	33,974-11-3	+ 43,288-4-9	
Godavari	1097 / 26-9-85	289,596	258,936	+ 30,660	
Coimbatore	573 / 13-8-88	262248	134020	+1,28,228	
N. arcot	537 / 27-6-89.	256836.			
Madura	52 / 21-1-90	155118	99331 ⊗	+ 55,787.	
S. arcot	321 / 12-5-90.	424554	341192	+ 83,362	⊗ approximate.
Ganjam	887 / 6-11-90	87960	"		
Anantapur	719 / 13-7-92	155088	"		
Vizagapatam	220 / 22-4-93	59184.	"		
Chingleput	733 / 16-8-93	218748	"		
Cuddapah	734 / 16-8-93	292152	"		
Nellore	57 / 31-1-95	212196	201096	+ 11,100	
Kurnool	735 / 21-12-96	315960	371670 *	−55710	* average of 11 years.

11

Financial Dept:

N O T E

With reference to para 6 of the draft letter, it is thought that the Acct. Genl. is quite correct. Attention is invited to para 2 of the Govt. of India letter in G.O.No.464 Marine, d/ 26th June 1896, which seems clearly to contemplate the authority vested in a local Govt. by a legal enactment [redacted] in the case of funds administered by a local Govt. As regards the quotation from the Govt. of India resolution of 1863, please see Chap: 40 of the Civil Account Code which appears to contemplate the "Incorporated Local" portion of the accounts being treated under very much the same rules as the Imperial and Provincial portions -vide specially Art: 1334. This chapter really overrides the resolution of 1863 and, as a proof of the interference which the Govt. of India does exercise over the expenditure of local funds, such as the Village Service Fund, the elimination of the provision for raising the pay of ~~the~~ karnams, which was originally made in the Village Service Budget for 1897-98, may be quoted.

2. The Local and Municipal dept. might be consulted in the matter as it may ~~might~~ be aware of precedents.

Cus.
25/5/97

26.5.97.

Flagged. R
restriction by executive orders (v.s. & the rules in the C.S.R. and C. A. Code) of the

Rev. Dept
Will Local & Municipal please state if it knows of any precedents bearing on the subject of the above remarks.
15-
27-5-97

12

16

[L. & M. 200—8-8-06.]

Local & Muni Deptt

13

NOTE FOR THE Secretary

The funds raised under the Madras Act V of 1884 are not administered by the Local Government as in the case of the village service fund, but by the Local Boards themselves, subject only to such rules as may from time to time be prescribed by the Governor-in-Council. Articles 27, and 287 of the Civil Account Code do not therefore apply and accordingly the sanction of the Government of India or the Secretary of State has never been obtained for the creation or abolition of appointments carrying a pay of more than Rs 250 a month, eg Local Fund Engineers and Assistant Engineers, but under section 41 the sanction of the Local Government is necessary in all such cases.

P.R.
2/6/97

That is so: but as in certain contingencies aid from Provincial revenues & even for municipal

16

imperial revenues may ultimately be required to supplement local revenues or to save local Boards from bankruptcy, the Imperial Govt. wd. not concede that for administrative purposes it has ~~no~~ no voice in the expenditure of local Boards.

S.K. 4/6/97

Rev. Dept.

Note

Please see para 6 of the draft letter to the Govt of India regarding the proposal to raise the pay of karnams in this Presy. Referring to the question therein raised, namely, whether, as regards the powers of sanction of the local Govt, the Village Service Fund in this Presy constitutes an item of "Indian Revenues" within the meaning of part 27) of the C.A.C, the Financial Dept to which the draft in question was sent for counter initials states that the A.G's view is quite correct; that is to say, that the Village Service Fund is an item of local and municipal

of Indian Revenue and that even if it were not so, art 287 of the C.A.C. would bring village establishments under the rules and restrictions in art 277 and that revisions of such establishments would be liable to the general limitation in clause (4) of that article. In support of its opinion, the F.D. cites para 2 of the G. of I. letter in G.O. No. 464 Mariné dt 26-6-96 and says it ~~decides~~ seems clearly to contemplate the restriction by executive orders (i.e. by the rules in the C.S.R. and C.A.C.) of the authority vested in a local Govt by a legal enactment in the case of funds administered by a local Govt.

As regards the ~~decision~~ of the Govt of India Resolution of 1863 which leaves the expenditure of local funds entirely to the local Govt, the F.D. states that that Resn is superseded by chapter 66 of the C.A.C and as a proof of the interference which the Govt of India does exercise over the expenditure of local funds, such as the Village Service Fund, attention is drawn to the elimination by that Govt of the provision for raising the pay of karnams which was originally made in the village Service Fund for 1897-98.

2. A reference was also made to the Local and Municipal

× Vol II

Dept to ascertain whether there were any precedents in that Dept bearing on the point. From the reply, it appears that the funds raised under Municipal Act II of 1884 are not administered by the local Govt as in the case of the village service fund and therefore articles 287 and 277 of the C.A.C do not apply. The d. and M. Dept add, in opinion however, that "as in certain contingencies aid from Provincial revenues and even from Imperial revenues may ultimately be required to supplement local revenues or to save local Boards from bankruptcy, the Imperial Govt would not concede that for administrative

purposes it has no voice in the expenditure of local funds".

3. The question for orders is whether para 6 of the draft letter to the Govt. of India should, in the above circumstances, stand or be omitted. It is submitted that no harm would result by the proposed reference to that Govt. On the other hand we shall have an authoritative ruling on a very important point which does not seem to be altogether free from doubt.

11/6/97.

19

474-475
18-6-97

Note.

With reference to the remarks of His Excellency the Governor at the concluding portion of para 5 of the draft letter to the Govt of India it is respectfully submitted that the sum of one lakh & thirty thousand rupees represents in round numbers two-thirds of the sum of two lakhs of rupees originally entered in the budget estimate of the Village Service Fund for 1897-98 but withheld by the Govt of India — one lakh and a half for revising the pay of Karnams in thirteen districts and half a lakh on account of four more districts viz Tanjore, Tinnevelly Trichinopoly & Kistna in which the revised scheme is expected to come into force in 1897-98 — As the scheme for the revising the pay of Karnams is proposed to be introduced with effect from 1st July 1897 the additional allotment required for the eight months of the current official year is taken at two-thirds of two lakhs.

Hte notes inclosed.
Logical order,
numbered the pages con-
secutively and marked
the draft letter to the
Govt of India. for the
Hon. Mr Bliss C.S.I. also.

C.S.
9 June 97

Ex. 11/6/97

Printed

Hon. Mr. Gnan C.I.E.

The Hon. Mr Bliss C.S.I. and

H.E. the Governor

(as the draft is other than routine)

2
A.H.

TO the F.D.

for counter initials.

To the Board of Rev (L.R.)
Acct & General
Financial Dept

80/3 Dev. 10-7-97

Read G.O. 8291/96 18.
Read again o.m. No. 488R dt. 29-1-1898-97
Read also G.O. 2288/97

G.O. (Press) No. 474 of 18th June 1897.

The Board's proposals are approved and will be submitted to the Govt. of India for sanction.

2. Ordered that the following letter be despatched to the Govt of India.

TO

No. 475

The Secretary to the Govt of India,
Rev and Agricultural Dept.

Sir,

I am directed to submit for the consideration and orders of the Govt of India a copy of the Proceedings of this Govt No. 474 dated 18th June 1897 embodying proposals for the improvement of the position of Karnams (village accountants) in this Presidency.

2. The Govt of India is aware that the task of preparing and maintaining the land records devolves primarily upon the karnams or village accountants and ~~upon the discussion of these establishments required for the collection of agricultural facts and statistics is~~ ~~much as to admit of no doubt as to its~~ ~~efficiency at least so far as the ryot-~~

-wari

G.O. 487/24-9-96 forwarded with letter No. 488 of the same date.

12/6/97

9.6.97

16.6.97

12.6.97

Govt of India letter in G.O.356/26

~~that the Govt of India has also re-~~ that the proposals of H.E. the Governor in Council in respect of the formation of the new Land Record Dept have been framed so as to continue and develop the policy of training and utilizing this local and unprofessional agency for the preparation and maintenance of land records ~~and that~~ As the result of this policy it has already been found possible to effect considerable economies to the State. In pursuance of these orders, a very considerable amount of work has been thrown upon karnams in recent years and there is now a wide-spread feeling among them that the scale of remuneration is not commensurate with the services rendered. In former days, karnams were in possession of service inams which though small, placed them in the position of landholders. But now these land grants have been replaced by money salaries which in no case under the scale sanctioned by the Govt, exceed Rs.15 per mensem and, for the great majority of villages, average Rs.7 or 8 per mensem. The work demanded of the karnam has at

and much greater accuracy & thoroughness in the execution is insisted on.

the same time been doubled or even trebled. Economic registers and additional accounts have, year after year, sprung into existence; the duties of a surveyor have recently been added to the list, and from next year forward candidates for the karnam's office are, except in certain cases, required to have passed ~~certain~~ prescribed examinations. Such being the case it is but natural that the overworked karnam should demand enhanced remuneration for this additional labor. Indeed, in the Cuddapah Dt. a large number of them recently struck work when required to attend the Survey School and although the agitation speedily subsided, a feeling of discontent exists in this and in other districts and the Govt considers that early steps should be taken to check the growth of this feeling.

3. The scale of pay which has been allowed to karnams in this Presidency in all recent revisions of village establishments, ranges from Rs.6 to Rs.15 per mensem. Having regard to all the facts mentioned in the previous paragraph, the Board of Revenue is strongly of opinion that the minimum pay of a karnam should be fixed at Rs.8 the ma-

-ximum

...kkam ...ding retained at Rs.15 as at pre-...ent. The existing scale and that now pro-...posed by the Board are shown below:-

Beriz.	Rate of pay of karnams.	
	Present.	Proposed.
	Rs.	Rs.
Under Rs. 2,000	6	8
Rupees 2,000 and above	7	
" 4,000 "	8	10
" 8,000 "	10	12
" 12,000 "	12	15
" 16,000 "	15	

I am to say that H.E. the Governor-in-Council fully accepts the above proposals. The scheme when introduced into the 20 districts to which it is intended to be ultimately applied, will involve an additional expenditure of a out two and a-half lakhs of Rupees per annum; but to begin with it is proposed to give effect to it in only 13 districts. The effect so far as these districts are concerned, of applying the new scale of pay will be:-

(a) that 3069 Karnams who are now drawing Rs.6 each and 3975 karnams who are drawing Rs.7 each will all draw Rs.8 each.

(b) that 973 Karnams who are drawing Rs.8 each will draw Rs.10.

(c) that 162 Karnams who are drawing Rs.10 will draw Rs.12 each and

(d) that 49 karnams who are drawing Rs.12

Rs.15 each- per mensem in future, while those who are now drawing Rs.15 will continue to draw that pay. The additional expenditure involved for the present will, therefore, be Rs.1,49,160 or roughly One and a-half lakhs of Rupees.

4. H.E. the Governor in Council is aware that at this period of financial pressure, a scheme like the present involving large extra expenditure should not be urged upon the Govt of India, though the actual cost to the State will only be half that expenditure, under sections 8 and 9 of Madras Act IV of 1933. I am, however, to point out that in the opinion of the Board of Revenue and the Govt, the time has now arrived when it is no longer possible to postpone an increment to the salaries of these low paid subordinates. In this Presidency the karnam is the pivot on which the whole machinery of Govt is balanced and any further delay in complying with his legitimate demand may not be prejudicially affect the land revenue administration. I am accordingly to expre s the

the hope of H.E. the Governor in Council that the Govt of India will be pleased to sanction the scheme so that it might be brought into force with effect from Fasli 1307 (1st July 1897), especially as it is not necessary, as will be shown below, that, with the introduction of the scheme, any additional burden should be thrown on the ryots at present.

5. As regards the funds required to meet the additional expenditure a sum of two lakhs was provided in the Budget estimate of the Village Service Fund for the current year but this provision was disallowed by the Govt of India under the standing order that provision for new expenditure should not be made until the measure has been duly sanctioned. Further with a view to reduce the amount of contribution payable by Govt during the year, the rate of cess to be levied from the ryots has been reduced from 8 to 7 pies in the Rupee of assessment for Fasli 1306 (1896-97) and the total receipts are estimated at Rs.45.66 lakhs, while the expenditure excluding the

General Revenue
RS

the provision on account of the proposal to raise the pay of karnams, is estimated at Rs.47.52 lakhs. But there is a large balance of about 18 lakhs standing to the credit of the Village Service Fund and any expenditure over the receipts will only tend to absorb this balance. It will, therefore, be quite possible to raise the pay of karnams without at the same time raising the rate of cess or the amount of contribution payable by Govt, for a year or two more. I am accordingly directed to request that, with the sanction of the Secretary of State, the Govt of India will also be pleased to grant an additional allotment of a lakh and thirty thousand rupees for expenditure during the current year.

6. I am in conclusion to raise the question whether, in the matter of establishments paid from the village Service Fund, the powers of sanction of the Local Govt are limited to the extent indicated in Chapter 17 of Civil Account Code Vol. I, in other words, whether the Village Service Fund in this Presidency constitutes an item of 'Indian Revenue' within the meaning of article 277 of the Civil Account Code. The local Accountant-General to -

when

I cannot make out how this sum is arrived at. Please explain. A.P.H

Note for the Secy.

It is doubtful if Hons intended that this question should be raised in the letter. It will be struck out if considered unnecessary.

CR. For orders.
25/5/95

Please see also pages 11 to 19.

and whether revisions of village establishment should be treated in the same way as those of [illegible] establishments [illegible] article).

which this point was referred for opinion, remarks that "as the Village Service Fund is in effect derived from Land Revenue it is in my opinion subject of Indian Revenue" and that "even if this were not so Art. 287 of the Civil Account Code would bring village establishments under the rules and restrictions in Art. 277 and provisions of such establishments are in my judgment liable to the general limitation in clause (4) of that Article which is - wholly related when fees or scales are levied under the orders of a Court of law".

But I am to point out that the Village Service Fund is constituted under the provisions of section 7 of the Madras Village Act IV of 1895 and consists of :-

(1) the balance of all funds constituted under Madras Act IV of 1864.

(2) the proceeds of the cess imposed under the Act IV of 1895.

(3) all contributions from general revenues for the purposes of the Act IV of 1895.

In the same section it is further stated that the Village Service Fund may be appropriated in such manner as may be directed by Govt, ~~Accordingly in~~ to the remuneration

the

This despatch has since been settled by M. Act II of 1896 KA C.

Flapped

This rule has also been adopted hitherto because in extract of the proceedings of the Govt of India dated 18th Sept 63 to 4887 it is laid down that a Budget Estimate of Expenditure chargeable to Local Funds has to be submitted to the Govt of India and it is explained that "the object in requiring this "this estimate was not to exercise "any interference with the "Expenditure of funds of which "ultimately at the disposal "of the Local Govt but merely "that the Govt of India shall "be kept informed of the "out lay for financial purposes "and of the nature of the "projects in reference to their effect "upon the wants of the country" which remain to be provided from Imperial Funds (R. 21/5/77)

of village officers within the area to which this Act is applied and to any other purposes connected with the discharge of their duties or with the Administration of such Fund'. As under the Madras General Clauses Act (I of 1891) as it stood at the time when Madras Act IV of 1895 was passed, 'Government' means 'the Governor of Fort St. George in Council' it follows that in the matter of expenditure of the Village Service Fund the local Govt. is by law the final authority and that no reference to any higher authority is needed.

Accordingly it has not been the practice to submit to the Govt of India schemes for the revision of village establishments even though such schemes involved additional expenditure exceeding Rs.25,000 per annum and the Accountant-General has not in fact till now required that such sanction should be obtained. But as he is now of a different opinion I am to submit the case for the orders of the Government of India.

"which"

J.
25-5-97.