

Revenue (1897) Department.

MISCELLANEOUS SERIES.

G.O., No. 701

DATED 8th Feb. 1897

[Despatch Abstract.]

Recording with remarks B.P. Comg resolution
of G. of I. re the classification in the Budget estimate
& requesting A.G. to state what changes in the
Income Code are necessary.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

CURRENT No.

Madras

No. 57 Preis

Dated 25th January 1897

Received 2-2-97

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Enclosures

Spare copies

SUBJECT.

Famine Relief Expenditure—

Communicating Resolution
of the Government of India
regarding the classification of—
in the budget estimates and
requesting the Accountant-General
to state what changes in the
Famine Code are necessary.

Mr. Hon. S. Grose C.H.
H.R. The Governor

Order nisi No. 701, d 18th
Feb: 87

Recorded with the
remark that any suggestion
that the A. G. may have to
make with reference to paras
2 and 3 of the 1st should be
submitted for the orders of
Govt

Rs
2-2-97

To the Bd. of Res. (Department)
To the A. G.

Note: The Board and the A.G.
cannot alter the Famine code
without ^{the} previous sanction
of Govt.

C. 3/2/97 R. 8/2/97

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

BOARD OF REVENUE (REV. SETT., L. RDS. AND AGR.), 25TH JAN. 1897, No. 57.

PROCEEDINGS OF THE BOARD OF REVENUE (REVENUE SETTLEMENT, LAND RECORDS AND AGRICULTURE).

Read—the following G.O., No. 750, Revenue, dated 26th December 1896 :—

Read—the following Resolution of the Government of India, Finance and Commerce Department (Accounts and Finance—System and Forms of Accounts), dated Calcutta, the 16th December 1896, No. 5299-A. :—

Read—again Resolutions in this Department—

No. 2531 dated the 11th December 1877,
No. 1131 „ 27th June 1878, and
No. 3135 „ 5th October 1878.

Resolution.—In accordance with the principles laid down in the Resolutions read in the preamble, all expenditure incurred directly and immediately for the relief of distress arising from calamities of season, such as drought or flood, is recorded in the accounts under the head “33—Famine Relief;” whereas charges indirectly due to

- (1) Compensation to Government servants or soldiers for dearness of provisions.
- (2) Extra Travelling Allowances to police, medical or other officers.
- (3) Pay of additional Medical Officers.
- (4) Extra hospital accommodation.
- (5) Public works undertaken in consequence of the occurrence of famine, but not directly for the employment of famine-stricken people, and not therefore treated as relief works.

famine, such as those mentioned in the margin, are taken under the appropriate service heads. Item (2) of the charges in the margin does not include the travelling allowances of officers deputed on famine work for their journeys to and from the scene of that work: those travelling allowances as well as the pay of the

officers for the period of transit are charged to “33—Famine Relief.” As regards public works undertaken directly and only in order to utilise the labour of people who must otherwise be fed in idleness, the real value at normal rates of the work executed is charged to Public Works, and the infructuous balance only is taken to the head “33—Famine Relief.” In the case of public works other than relief works, item (5) of the charges mentioned in the margin, any expenditure in excess of normal rates in consequence of the employment for relief purposes of unskilled and unprofitable labour is also transferred to this head.

2. This system of classification is not satisfactory from the point of view of the exhibition in the public accounts of the discharge by the Government of India of their obligations in respect of the Famine Insurance Scheme, and the Governor-General in Council has recently had under consideration the question whether the classification should not be altered so as to exhibit with greater accuracy the expenditure incurred in the relief of distress, without unnecessarily complicating the accounts.

3. The original estimate on which the sum of 1½ crores of rupees was fixed as the average annual cost of famines in India included not only loss of revenue, but all direct and indirect charges in connection with famines, whether recorded under the head “33—Famine Relief,” or not. (See paragraph 16 of Financial Statement for 1878-79). The cost of famines may be grouped under the following three classes :—

A—Loss of revenue.

B—Expenditure caused by the famine and charged to the head “33—Famine Relief,” one of the heads under the group “Famine Relief and Insurance.”

C—Expenditure caused by the famine, but charged to ordinary service heads, and not under “Famine Relief and Insurance.”

These three classes form together the charge, in consideration of which the Government resolved to set aside the definite amount of Rs. 15,00,000 a year, to be provided in the estimates as a charge on the revenues of each year, and to be charged in the accounts of each year under the head of "Famine Relief and Insurance," whether the expenditure was actually incurred or not.

4. The actual cost of famine so far as it comes under category A (that is, loss of revenue) or under category C (that is, increase of expenditure under ordinary heads) cannot, in the accounts of the Government, be separated from the other revenues or expenditure under the heads concerned, and it is therefore not practicable to transfer this deficiency of revenue, or excess of charge in the accounts so as to show it as part of the charge for famine. This principle has hitherto been applied in the case of public works undertaken for purposes of famine relief; that is to say, even in the case of expenditure which would not have been undertaken except for the purpose of giving employment to a famine-stricken population, the existing orders direct that the value of the work done should be charged to the head "Civil Works," and the excess of cost over value alone should be charged as famine relief.

5. This practice appears to be an unnecessary refinement of accounting, and it appears also to obscure the actual facts. The occurrence of considerable expenditure of this kind during the current year, and the probability of the Government having to incur still larger expenditure, has led to a reconsideration of this question, and the Governor-General in Council has determined that it is desirable, and is more consistent with the actual facts, to show expenditure of the kind alluded to under the head of Famine Relief and not under the head of Civil Works. The following orders are therefore prescribed:—

I.—Public works undertaken in consequence of the occurrence of famine, but not directly for the employment of famine-stricken people, and not therefore treated as relief works, will be classified in the accounts as ordinary public works are classified; save that any expenditure in excess of normal rates incurred in consequence of the employment for relief purposes of unskilled and unprofitable labour will be transferred to the head "Famine Relief."

II.—Public works expenditure which is undertaken directly for the relief of famine and controlled and managed under the conditions applicable to famine-relief works will be charged as "Famine Relief," whether the work is or is not one which would have at some time or other to be undertaken irrespectively of famine.

III.—Rule II is subject to one qualification—if the work on which famine labour is employed is a revenue-producing work, in respect of which a capital account is kept (whether within or without the revenue accounts of the Government), the value of the work done, reckoned at ordinary rates, will be charged to the ordinary head of account, and the excess only debited to "Famine Relief."

6. The Governor-General in Council considers it expedient to prescribe the following minor heads for the record in the accounts of expenditure charged to the head "33—Famine Relief":—

- (1) Salaries and Establishments.
- (2) Relief works in charge of Civil Officers—
 - (a) Communications.
 - (b) Miscellaneous Public Improvements.
 - (c) Irrigation.
- (3) Relief works in charge of Public Works Department—
 - (a) Communications.
 - (b) Miscellaneous Public Improvements.
 - (c) Irrigation.
 - (d) Construction of Railways.
- (4) Relief to people employed otherwise than on relief work.
- (5) Gratuitous relief—
 - (a) Given in Government institutions.
 - (b) " at the houses of the people.
 - (c) " in other ways.
- (6) Miscellaneous.

7. All expenditure charged to the head which is incurred under the control and management of officers of the Public Works Department should be brought to account finally on the books of that department. The practice of transferring such expenditure to the Civil Account Officer for final record in the accounts causes unnecessary delay, and may give rise to omissions and mistakes, especially in the estimates; it should therefore be discontinued.

Order—Ordered, that copies of this Resolution be communicated to the Revenue and Agriculture and Public Works Departments, to all Local Governments and Administrations, to the Comptroller and Auditor-General, and to all Accountants-General and Comptrollers (except Comptroller, Post Office).

(Signed) R. A. GAMBLE,
Under Secy. to the Govt. of India.

Order—No. 750, Revenue, dated 26th December 1896.

Miscellaneous.

Communicated to the Board of
Revenue.

(True Extract.)

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

To the Board of Revenue (Revenue Settlement,
Land Records and Agriculture).
„ the Financial Department.

RESOLUTION—dated 25th January 1897, No. 57.

Communicated to all Collectors for information.

2. The Board requests the Accountant-General to be so good as to inform it whether and how the orders of the Government of India read above affect the classification of expenditure on Local Fund works carried out by Civil officers or by the Public Works Department.

3. The Accountant-General will also be requested to inform the Board what changes will be necessary in the Famine Code in consequence of the orders contained in the paper read above, especially in Section 33, Chapter XIII, Appendix VIII and Form N of Appendix II.

(True Copy and Extract.)

R. J. Srinivasa
Secretary.

To all Collectors.
„ the Accountant-General.
Copy to the Secretary to Government, Revenue Department.

REVENUE DEPARTMENT.

1897.

Board of Revenue

(Revenue Settlement, Land Records
and Agriculture),

MADRAS.

Printed January 29th.

Proceedings, 25th Jan. 1897, No. 57.

Famine Relief Expenditure.—Communicating
Resolution of the Government of India regarding
the classification of — in the budget estimates and
requesting the Accountant-General to state what
changes in the Famine Code are necessary.

When given for copying _____
When copied _____ } 189
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When signed _____

READ AGAIN G.O., No.
189

DATED

CURRENT No.

ENCLOSURES TO C. No.

ORDER OF GOVERNMENT

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LETTER OF GOVERNMENT

STATEMENT WITH DITTO

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