

No. 1217-F.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

ACCOUNTS AND FINANCE.

Provincial Finance.

Simla, the 2nd June 1917.

RESOLUTION.

In paragraphs 108-110 of the speech of the Hon'ble the Finance Member introducing the Financial Statement for 1917-18, it was announced that it had been decided, with the approval of the Secretary of State for India, to treat expenditure under the head "33—Famine Relief", with effect from the year 1917-18, as divisible between Imperial and Provincial revenues in the proportion of  $\frac{3}{4}$  and  $\frac{1}{4}$ . The previous arrangements for the apportionment of the expenditure as well as the reasons which led to the change are stated at length in the Government of India, Finance Department, circular letter No. 2044-F., dated the 31st December 1914 and in their despatch to the Secretary of State for India No. 307, dated the 23rd December 1916, which, together with the replies from the Local Governments concerned and the Secretary of State, are published for general information.

2. The incidence of the expenditure on famine relief in provinces with which regular Provincial settlements are in force will be governed in future by the following rules :—

- (i) All expenditure on famine relief from the 1st April 1917 (including that incurred in the provinces of Burma and Assam to which the previous scheme for the adjustment of famine expenditure did not apply and in the non-jurisdictional estates in Bombay) will be divided between Imperial and Provincial revenues in the proportion of three-fourths and one-fourth, the credits which have accumulated in favour of Provincial Governments in the *pro forma* accounts of famine expenditure maintained under the previous arrangements being written off from that date.
- (ii) If the Provincial share of expenditure resulting from a widespread and prolonged famine should be so great as to reduce the Provincial balance below one-half the prescribed minimum, the treatment of further expenditure will be a subject for special arrangement at the time.
- (iii) Expenditure incurred during observation and test will in future be charged to the head "33—Famine Relief" instead of as entirely Provincial expenditure to "32—Miscellaneous" or "45—Civil Works".
- (iv) Under the special prophylactic scheme of relief which obtains in the Central Provinces, works specially undertaken for the relief of distress after scarcity has been declared should be classed as "scarcity works" if their cost cannot be met either from the budget provision for civil works or by reappropriation. The cost of these scarcity works will be charged to the head "33—Famine

Relief," subject to the proviso that, when the budget for any year has to be framed with reference to the existence of famine or *quasi*-famine conditions, the grant under the head "45—Civil Works" shall be placed at a figure not less than that for the last normal year.

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ORDERED that this Resolution be communicated to all Local Governments and Administrations, the Revenue and Agriculture and the Public Works Departments, the Comptroller and Auditor General, the Controller of Currency, and all Civil Accountants General and Comptrollers.

Ordered also that this Resolution be published in the Gazette of India.

(Sd.) H. F. HOWARD,

*Secretary to the Government of India.*