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A NOTE

ON THE

DECENTRALIZATION  
OF  
PROVINCIAL FINANCE.



BY

M. G. RANADE.

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## P R E F A C E .



The first seven chapters of this publication were submitted, while in the press, to the Accountant General, Bombay Presidency, with the permission of Government, for correction and suggestions. The Accountant General had the whole carefully examined by Mr. Blakeman, his Assistant in charge of the Budget department. Mr. Cox's letter, and the two notes written by Mr. Blakeman, are printed below, and express their opinion about the work. The additions and corrections suggested have been inserted as Appendices and *Errata* at the end.

ACCOUNTANT GENERAL'S OFFICE,  
*Bombay 5th September 1893.*

DEAR SIR,

I have had your Pamphlet checked in my Budget Department, and send you the note which the Superintendent, Mr. Blakeman, has written. I do not think that there is any thing further to say except that I think it would be well to take the actuals for those years for which you have taken only the estimates.

The pamphlet will, I am sure, be very useful.

Yours truly,  
(Sd.) A. F. COX.

### NOTE (A) BY MR. BLAKEMAN.

I have gone through Mr. Ranade's Pamphlet,—  
Decentralization of Provincial Finance, and find that  
all his main facts and conclusions are correct.

*Second Provincial Contract*—The facts are correct, but Mr. Ranade, in reproducing the Statements showing how the contract was worked during the five years 1877-1882 (pages 27 @ 30), has entered for the last year the Budget figures. We have the actuals now, and I have entered them in a separate statement, (Vide Appendix A. ), leaving it to Mr. Ranade to adopt or not as he pleases. If he adopts the actuals, his deductions under each head will require some modification.

*Third Provincial Contract*—correctly compiled. Here also Mr. Ranade, in his statements (pages 41@44), has adopted the Revised Estimates for 1885, and Budget for 1886. We have the actuals for these years now, and I have entered them in a separate statement (Vide Appendix B), leaving it to Mr. Ranade to adopt or not as he chooses. If the actuals are adopted, the deductions under each head will require to be modified. In the statement (page 41), Mr. Ranade has omitted the adjustments under the Land Revenue head. These have been entered here, as, if they are left out, the grand totals entered in the statement will be out by the amount of these adjustments. A few other corrections in figures have been made throughout the paper.

#### NOTE (B) BY MR. BLAKEMAN.

I have gone through the second part of the Hon'ble Mr. Ranade's paper on the Decentralization of Provincial Finance, and find that all the main facts have been correctly stated.

2. In the comparative statements (pages 61 and 65), approximate actuals are given for 1890-91, and the Budget figures for 1891-92. We have now the actuals for these years, and for purposes of comparison I have had them entered in a separate statement (Appendix C), so that the Hon'ble Mr. Ranade can see at a glance the differences. If he adopts these figures, his conclusions as to the net loss or gain on the several major heads will require modification.

3. The remarks made on the major "assignments and compensations" are a little <sup>Head</sup> ~~little~~ <sup>THE</sup> ~~split~~ <sup>HEADS OF</sup> ~~up~~ <sup>SOCIETY</sup> ~~into~~ <sup>ON</sup> their component parts, i. e. by minor heads, and an explanation says—"In the course of five years, the charge under the first two heads (Inamdars and Devasthan &c.) remained very near the assigned figure, but under the third head of compensations, it increased by half a lack before 1890-91, and was 1½ lacks more in the Budget Estimate for 1891-92." The contract grant for "compensations" was 303, the actuals of 1887-88 were 302, of 1888-89 349, of 1889-90, 628, of 1890-91 376, and the Budget for 1891-92 405, so that the increase was of half a lack in 1888-89, in 1889-90 3¼ lacks, and in the Budget one lack. The large increase in 1889-90 was due to large arrear opium compensations. Mr. Ranade's remarks would be correct if they referred to the whole major head, but not, as would seem from the note, if they are meant for the third minor head, —*Compensation*. The figures for the whole major head are :—

	Approximate actuals	Budget
Contract	1890-91	1891-92
1,400	1,462	1,551

4. Page 68—Excise—The total surplus gain to the Provincial revenues was nearly 9 lacks in five years (9½ if actuals instead of Budget figures are taken for 1891-92), and not 7 lacks as entered.

5. Page 70—General Administration—the contract grant was 12,57, and not 12,56 as entered.

6. Police P. 71 If actuals are taken for 1891-92, instead of the Budget figures, there will be a small gain to Provincial Revenues, and not a net loss of 3 lacks. Marine P. 72. "Minor" should be "Major."

7. There is nothing else calling for special remarks, but I have in the pamphlet made one or two pencil remarks of minor importance.

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