M.R.O. 1—32,400—22-11-30

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 228 Press ~~Mis.~~

Dated 22nd May 1860

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FINANCIAL DEPARTMENT.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

Read the Resolution of the President and Council of India, dated 7th April 1860, on Budget—Estimates—and Audit.

ORDER THEREON, 22nd May 1860, No. 228.

His Excellency the Governor in Council observes that the Resolution above recorded has been anticipated as far as this Government is concerned.

2. On the 25th May 1859 it was observed, that instead of a system of advances which had been recommended for the Army Clothing Department, the preferable course would be to submit for the sanction of Government an annual Estimate of anticipated expenditure for each official year, upon which issues might be made from time to time as might be required; and that this should be combined with an effective system of monthly Account and Audit. This course was resolved upon in reference to the Army Clothing Agency; and other Military Departments were called upon to furnish annual estimates upon the same principle.

3. In his letter of the 1st August 1859, No. 137, the Accountant General enquired whether Government required an estimate of *Civil* charges for 1859-60 of the above description. He required the distinct authority of Government in the matter, as he would have to state his authority when he called upon the heads of Departments concerned, as enumerated in a list which he annexed, to furnish such an estimate for the year then current.

4. No orders were passed upon this application, but the papers before Government connected with estimates in the Military Department were, on the 22nd November last, referred to the Military Finance Commission with the Minutes of the President, His Excellency the Commander-in-Chief and the Honorable Walter Elliot, dated on the preceding day.

5. The only Military estimate which has been received for 1860-61 is that for the Ordnance Department. Taken together with the report which accompanied it, it furnishes a complete view of the state and prospects of the Department, and lays a solid foundation for future comparative estimates. The Government will shortly give directions upon it in detail.

6. Meanwhile orders will be issued through the Military Department for hastening the submission of the other Military estimates. The Accountant General will also, in reference to his letter of the 1st August last, be authorized to call upon the several Heads of Civil Departments and Offices enumerated in his list, and any others not included in it, to transmit as early as possible to him, estimates of their charges for 1860-61, in view to his submission to Government of the estimate of Civil charges for that year.

(True Extract.)

Chief Secretary.

To the Military Department.
„ Accountant General.

Exd. F. Cartledge.

21/5/60

MINUTE BY THE HONORABLE THE PRESIDENT.

The Resolution of the President in Council, dated the 7th ultimo, on "Budget, Estimates and Audit," has been anticipated so far as this Government is concerned.

On the 25th of May 1859 we observed that, instead of a system of advances which had been recommended for the Army Clothing Department, the preferable course would be to submit for the sanction of Government an annual Estimate of anticipated expenditure for each official year, upon which issues might be made from time to time as might be required; and that this should be combined with an effective system of monthly Account and Audit. This course was resolved upon in reference to the Army Clothing Agency; and the other Military Departments were called upon to furnish annual Estimates upon the same principle.

On the 22nd November we referred the whole of the Papers to the Military Finance Commission for their consideration and report; and we particularly requested their attention to the suggestions in the 6th paragraph of my Minute of the 21st of the same month, which was as follows:—

"But, in proportion as the object is important, we ought to take care that it is not "frustrated or impaired by bad management. What is wanted is, not the *application*, but the "*just* application of the English system of Finance to India. The points chiefly to be attended "to, are—1st, That the Estimates should be classed under suitable heads, proper harmony being "preserved between the different Departmental Estimates; 2ndly, That they should be framed "by the respective chiefs of Departments on a full detailed consideration of the probable expen-"diture during the ensuing Financial year; and 3rdly, That proper means should be adopted "by the Government for revising the Estimates."

It is as desirable as ever that we should have the assistance of the Military Finance Commissioners in regard to the application of the system to the different branches of our Military expenditure. They have maturely considered the subject, and their Report upon it was prepared as long ago as the 23rd January last.

The only Estimate which has yet been received for 1860-1, is that for the Ordnance Department. I have carefully gone over it with the Inspector General. Taken together with the accompanying Report, it furnishes a complete view of the state and prospects of the Department, and lays a solid foundation for future comparative Estimates. We must shortly give directions upon it in detail. The estimates of the other Military Departments should be hastened; and Estimates should be prepared without delay for the different branches of the Revenue and of the Civil expenditure.

The Resolution of the Government of India supposes that all the Estimates will be based upon the last "Anticipation Sketch Estimates"; but this would be a very imperfect standard. We have just recast our Revenue establishments; and we have received within the last few days a revised estimate of the cost of the new Police, which the advanced state of the undertaking has enabled the Inspector General to furnish. We have also proposed to the Government of India to disband thirteen Regiments of Native Infantry and two Regiments of Native Cavalry, besides the body of Officers who still represent the 8th Cavalry, if tranquillity is preserved by the abandonment of the Income, License and Tobacco taxes. These changes, as well as several others which have been worked out since the Anticipation Sketch Estimate was prepared, ought obviously to be included. Indeed, the Military estimates cannot be completed until we know whether the large proposed reduction of our Army is to take effect. The "strength" regulates, not only the pay and allowances, but also the Commissariat and other subsidiary Military expenditure. The cost of the Army is as nearly as possible equally divided between these two great items.

It is right to call attention to the manner in which the following portion of the Resolution of the Government of India will operate upon the reduction of the public expenditure.

"It has, therefore, been resolved that Estimates of probable income and proposed expenditure "for all portions and Departments of the Empire during the coming year 1860-1, shall be

“ immediately prepared in a manner as perfect as the circumstances would admit. These will, “ it is hoped, be prepared during May next; that is the first month of the year. Upon that the “ Supreme Government will frame one general Budget for the whole Empire, and will appropriate “ specific sums for each Service in the manner already described; and such appropriation will “ operate absolutely as the limit of expenditure during the year.”

The Military expenditure throughout British India is at present extremely abnormal. It is in a high state of repletion; and if Estimates are framed in a hurry, which are to “ operate “ absolutely as the limit of expenditure during the year,” the effect will be to stay the progress of reduction and to fix the expenditure, for the present, at its existing high standard. This ought to be a year of active reduction and manipulation. All Military or semi-Military Forces that can be dispensed with, should be reduced or disbanded. Those which must be retained as auxiliaries to our European troops, should, as far as possible, be concentrated at the same stations with them. An improved Police should be vigorously organized under European officers. The subsidiary Military Departments should be brought into conformity with the reduced Force which they will have to supply. Meanwhile, the plan of working the expenditure by an improved system of annual Estimate, should be kept constantly in view; and as soon as any branch of expenditure has been contracted within reasonable limits, it should be brought under the full operation of the system. If this course is pursued throughout 1860-1, satisfactory Estimates may be prepared for 1861-2.

This subject has another highly important point of view. As finance is the strongest of all the elements of Government, it naturally absorbs and remoulds all the others. A perfect system of finance is a perfect system of centralization; and it is therefore necessary to consider, when we recast our financial arrangements, where it is desirable that the powers of Government should be vested. This point was foreseen and provided for by me when I originally proposed to the Select Committee of the House of Commons in July 1853, that our English system of Finance by Annual Estimate, Budget, and Appropriation Act, should be applied to India.

“ The Committee will observe, that through the whole of the evidence which has been given “ before them, two opposite principles have been dwelt on. It has been strongly represented, “ on the one side, that it is absolutely necessary that the Supreme Government should have “ entire control over the expenditure of the subordinate Presidencies, because without it, it is “ impossible that it can be responsible for the proper regulation of the finances of India; “ while those who advocate the interests of the subordinate Presidencies, urge, that it is extremely “ hard and inconvenient that they should not be able to employ a Chowkeydar at Cape Comorin, “ or repair a tank in Tinnevelly, without writing to Calcutta to ask the consent of the Supreme “ Government, and entering, probably, into a long correspondence on the subject; and there is “ said to be a total want of reasonable freedom and discretion in the subordinate Governments in “ matters of finance.

* * * * *

“ Thus the problem which has been found so difficult of solution will be satisfactorily settled. “ The subordinate Presidencies will have a reasonable discretion, combined with a regulated and “ sufficient control on the part of the Supreme Government.”*

And when I commenced the practical introduction of the system after my arrival at Madras, I remarked :—

“ The control of the Supreme Government would be maintained by the arrangement which “ would bring the whole of the expenditure of India under its revision once in every year and by “ the obligation the subordinate Governments would be under, not to exceed any of the principal “ heads of expenditure in their respective Estimates without the previous sanction of the Supreme “ Government; and the subordinate Governments would be saved from the humiliating necessity “ of making a separate application to Calcutta on every occasion on which any new expenditure, “ however trifling, was required; and would have the same discretionary power which is allowed “ to the Administrative Departments at Home, of applying the surplus upon one item to supply “ the deficiencies upon others under the same general head of expenditure, provided the aggregate “ amount appropriated under the head was not exceeded.”†

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* Minutes of Evidence taken before the Select Committee on Indian Territories, 7th July 1853; Question 8,066.

† Minute dated the 21st November 1859. This, as well as the previous correspondence on the subject, is annexed herewith.

The Resolution of the President in Council, however, treats the subject with different views.

“ This system prevails in England—and it will now be introduced and rigidly carried out in “ India. Before the commencement of each official year the Supreme Government will require “ careful Estimates to be framed of the anticipated income and the proposed expenditure of “ the Empire for the coming year. And, after considering the various objects to be accomplished “ *in relation* to the means and resources for such accomplishment,—after comparing the past “ with the proposed expenditure,—after weighing the recommendations of the several Executive “ Governments and the heads of Departments, the Supreme Government will allot and appro- “ priate to each branch of the Service and to the several detailed heads within each branch, specific “ sums. The several Executive Governments and the Departments will be charged with the “ due application of the sums assigned by the above Act of Appropriation. The specific amount “ assigned will on no account be exceeded.

* * * * *

“ In many departments, however, the Audit Board does itself audit, not only the aggre- “ gates, but also the details pertaining to each aggregate, and this is called the ‘ Detailed Audit.’ “ In any Department whatever, whether subjected to ‘ Appropriation Audit ’ or to ‘ Detailed “ Audit,’ the Board has the power of calling for the authorities, the vouchers, the accounts, of “ any item. The Audit Board permits to itself no discretion, and will disallow any sums in “ excess of the authorized limit.

* * * * *

“ Now it is intended to constitute a similar Imperial Audit at Calcutta, with the same functions “ and powers as those generally described above.”

The adoption of this plan would completely centralize the administration of the whole of India at Calcutta. Local Governments would not even have the power of dealing with details, which is freely conceded to the executive Departments at home.

Is it right that the President in Council should, by a Resolution suddenly promulgated without any previous consultation with the Local Governments, make such an organic change as this in the constitution of British India? The time chosen for making the change is when the Secretary of State for India has announced the intention of Her Majesty's Government to submit a measure to Parliament for altering the constitutions and relations of the Central and Local Governments in a precisely opposite sense.

Another portion of the Resolution of the President in Council is as follows :—

“ It being essential that the Supreme Government should have ready at hand better means “ than heretofore of regulating the Revenues of the State in all parts of the Empire, it has been “ resolved to constitute at Calcutta, and under the Supreme Government, a Central Revenue “ Department for all India. This Department will concentrate information regarding the Revenues “ in all parts of the Empire—will advise the Supreme Government in all fiscal questions—will assist “ in prescribing general rules—and will keep the Supreme Government informed as to how those “ rules are acted up to.”

Is this “ Central Revenue Department for all India” to be composed, as the Secretariat of the Supreme Government has hitherto been, entirely of Bengal and North West Provinces' Officers; or is it to include the ablest Revenue Officers from every part of India? If the former, the Board would not be qualified to deal with the systems prevailing in the Madras and Bombay Presidencies. If the latter, the practical detailed administration of the whole of India would be transferred to Calcutta, and the local Governments would become an useless expense, and ought to be abolished. The latter must be intended, for, by a clause in the recent Customs' Act, the Local Governments are entirely set aside; and every subordinate Collector of Customs in every part of the Coasts of India is placed in direct relation with the Supreme Government, from whom alone he can receive any orders.

The Resolution states: “ After long experience and recent inquiry of the most competent “ kind, an Audit Board of this description has been established in London, responsible to Parlia- “ ment immediately. To this Board the accounts of every Department of the State and of every “ Colonial Government in the British Empire are periodically submitted.”

It would be inferred from this, that the accounts of “every Colonial Government in the British Empire” are dealt with by the London Audit Office in the same manner as those “of every Department of the State.” The fact, however is, that, as the local administration of the Colonies has improved, the London Audit Board has gradually withdrawn from interference with them; and the actual position now is, that the Colonies which have Representative Assemblies have been entirely released from the control of the Audit Board;* while as regards "Crown Colonies," which have not Representative assemblies, all that the London Audit Board does, is to see that the accounts have been examined by a duly-constituted local Auditor, and to pass them on his certificate.

There are two systems of Audit in use in England. One is the "Detailed Departmental Audit," which is conducted within the Department by an Establishment specially appropriated and trained for the purpose. The other is the "Appropriation Audit," which is conducted by the Commissioners of Audit on behalf of Parliament—the object being to ascertain whether the Parliamentary *appropriations* have been adhered to.

The Resolution of the President in Council is not clear as to the precise form in which the Institution is to be naturalized in India; but the general tenor of the proposals is to establish a single Audit Office at Calcutta for the *detailed* Audit of the accounts of the whole of India. Besides the obvious intention of the passages already quoted, the expression "whether the Board be able to audit all details or not," implies that the object aimed at *is* to audit the details. The omission of all mention of the local Presidential Audit Offices, while the intention is announced of "at once" establishing an Audit Office at Calcutta for the whole of India, is also significant.

Much the most efficient part of the English Audit system is the Departmental Audit. It is conducted on the spot, by Officers who are familiar with the system they have to supervise, and who have the advantage of ready communication with the executive Officers, and of easy reference to documents. Departmental Audit is not confined to the Military and Naval expenditure. The store accounts of the Stationery Office, and the professional accounts of the Office of Works, are passed on the certificates of local Auditors; and even the pay and allowances of the establishments of the Customs and Inland Revenue are examined and certified by their respective "Comptrollers General." The Board of Audit was, no doubt, intended to be an universal Audit Office, but this design has entirely failed, and the Commissioners of Audit have of late years assumed more and more the position of inspectors and reporters for Parliament of the general fidelity with which effect is given to the annual grants of Public money. A Local Audit following close upon the expenditure, and conducted, with a full knowledge of all the circumstances, under the superintendence of the Government responsible for that expenditure, must be the foundation of all regularity and economy in India. The Audit, however, ought not to be Departmental, but Presidential; that is, there should be one efficient Military, and one Civil Audit Office for each Presidency.

The administration of the whole of India never has been, and never can be, conducted from a single centre. The distances are too great for accessibility and despatch; and the circumstances are too various to be understood, and the volume of the business too vast to be embraced, *by any one set of men.* This is not consolidation, but the collecting of incompatible functions into an unmanageable heap. The head is congested, and the limbs are paralysed. But, however this may be, the great question of the constitution of the Anglo-Indian Governments must not be obscurely disposed of as an unnamed incident of a financial arrangement. It must be openly discussed, and decided upon its own merits, as it is about to be at home. Both Financial and Administrative improvement will be promoted by giving to Local as well as Central Government due freedom of action.

MADRAS, 12*th May* 1860.

~~(Signed) C. E. TREVELYAN.~~

C. E. Trevelyan

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* At first it was arranged that the reserved Civil List of each Colony should be audited in London—but even this has, I believe, been given up. The Colonial Civil Lists are composed of a limited number of fixed salaries paid under the direction of the Governor.

APPENDIX.

MINUTE BY THE HONORABLE THE PRESIDENT, 21*st November* 1859.

ON the 7th of July 1853, I advocated before the Select Committee of the House of Commons on Indian Territories, the application of the English system of Finance by Annual Estimate and Appropriation Act, to the income and expenditure of British India, and proposed a plan for that purpose in considerable detail; and after my arrival at Madras, I recorded my opinion on the subject as follows, on the 13th of July last:—

"The beautiful system of Finance which has grown out of the control exercised by Parliament over the Executive Government of England, is well adapted, with proper modifications, to remedy the defects both in the internal machinery and in the external relations of the Anglo-Indian Governments. The foundation of that system is the prepartion by each Department of an Estimate of its expenditure during the ensuing year. The attention of the responsible Administrative Officers is thus periodically called to the states of their expenditures, and such alterations are made as the change of circumstances requires. These Estimates are then revised at the Treasury, and are carefully compared with the Estimates of expected income furnished by the Officers of the Revenue Departments; the result being submitted to Parliament under the name of "Budget." The last stage is the sifting which the Estimates undergo in Parliament, and their incorporation, under general heads, in the Annual Appropriation Act. It is deserving of notice that the only effectual handling which the Estimates receive is from the Departments themselves, and that the principal advantage of the revision they undergo by the Treasury and Parliament is, that the Departmental Chiefs are kept on the *qui vive* by it—because there is always somebody ready to expose every abuse. Another great benefit of this system is, that it enforces an annual comparison of the whole of the income with the whole of the expenditure, and deliberate apportionment of the surplus, if there be one, according to the demands of the time.

"By a proper application of this system, the problems which have embarrassed our Indian Administrators of late years would be solved. The Chiefs of Departments would be placed in their proper position; and as they would order the expenditure on their own responsibility, provided they did not depart from the detailed appropriations sanctioned upon the estimates, the Anglo-Indian Governments would be saved from a great variety of miscellaneous business which now absorbs their time. The control of the Supreme Government would be maintained by the arrangement which would bring the whole of the expenditure in India under its revision once in every year, and by the obligation the subordinate Governments would be under, not to exceed any of the principal heads of expenditure in their respective estimates without the previous sanction of the Supreme Government; and the Subordinate Governments would be saved from the humiliating necessity of making a separate application to Calcutta on every occasion on which any new expenditure, however trifling, was required; and would have the same discretionary power which is allowed to the Administrative Departments at Home, of applying the surplus upon one item to supply the deficiencies upon others under the same general head of expenditure, provided the aggregate amount appropriated under that head was not exceeded. The whole of the expenditure of British India would undergo a threefold annual revision by the most competent authorities acting under a strict responsibility; and, instead of the present partial and imperfect application of the "Budget" system to the Department of Public Works, the principle would be extended to the whole of Anglo-Indian Finance, in the shape of a close annual comparison of the income and expenditure, and of the adjustments and improvements which would arise out of it."

2. Previously to this, some discussion had taken place on the subject in Council; and on the 25th of May last we observed that, instead of a system of advances which had been recommended

for the Army Clothing Department, the preferable course would be to submit for the sanction of Government, an Annual Estimate of anticipated expenditure for each official year, upon which issues might be made, from time to time, as might be required; and that this should be combined with an effective system of monthly account and audit. The adoption of this course, we added, would "tend to facilitate business, economize time and to diminish correspondence." The Accountant General was desired to report whether he saw any objections to the adoption of the proposed course; and, if not, whether the system might not be advantageously extended to all the Public Departments in which advances of cash are required from the Government.

3. On the 23rd of May, the Accountant General reported that he "fully concurred in the "the views expressed by Government, as tending to relieve Government of unnecessary trouble, "facilitate business and diminish correspondence."

4. The following Departments were accordingly called upon by the Accountant General to furnish estimates for the current official year 1859-60.

- Military Auditor General, for the general Army expenditure disbursed through the Paymasters.
- Commissary General.
- Superintendent and Agent for Army Clothing.
- Inspector General of Ordinance and Magazines.

5. Further experience has confirmed me in the opinion that the application of this system to our Anglo-Indian income and expenditure, not only furnishes the true permanent solution of our Financial difficulties; but will, by its ordinary action, work out several great improvements both in the internal machinery and the mutual relations of the Anglo-Indian Governments. I am also of opinion that we may at once lay a foundation for the system, by acting upon it so far as regards the Civil and Military expenditure of this Government. The system would, to this extent, be complete in itself. We should at once reap the advantages to be derived from placing the revising and ordering of the expenditure of this Presidency on a proper footing; and the other Indian Governments would profit by our experience when the time arrived for making the arrangement general.

6. But, in proportion as the object is important, we ought to take care that it is not frustrated or impaired by bad management. What is wanted is not the *application*, but the *just* application of the English system of Finance to India. The points chiefly to be attended to, are—1st, That the estimates should be classed under suitable heads, proper harmony being preserved between the different Departmental Estimates; 2ndly, That they should be framed by the respective Chiefs of Departments on a full detailed consideration of the probable expenditure during the ensuing Financial year; and 3rdly, That proper means should be adopted by the Government for revising the Estimates.

7. The first Estimate under the new system should be for the year 1860-1, which will give time for making every necessary preparation.

8. The attention of the Military Finance Commissioners, who have lately arrived here from Bombay, has already been called to this subject; and I propose that the whole of the Papers should be remitted to them for their consideration and report before any further step be taken.

Minute by His Excellency the Commander-in-Chief, 21st November 1859.

I am persuaded that the most favorable results may be fairly looked for, if the course inculcated by the President in this Minute is effectually carried out.

Minute by the Honorable Walter, 21st November 1859.

We are much beholden to the Honorable the President for the valuable suggestions which his large experience of such subjects enables him to offer us in this important matter. I feel assured that the course indicated in this Minute will be attended with the most useful and practical results.

ORDER, No. 4,145, *22nd November* 1859.

Resolved that, as proposed by the Honorable the President, the whole of the Papers* on the subject of adapting the English system of Finance to India, including the foregoing Minutes, be remitted to the Military Finance Commission for their consideration and report, their attention being particularly requested to the suggestions in paragraph 6 of His Excellency's Minute of 21st November.

* *Proceedings, 25th May* 1859 (*Order, No.* 1,833).
,, *9th June* ,, (,, ,, 2,013).
,, *11th Nov.* ,, (,, ,, 3,993).

(True Extract.)

(Signed) H. MARSHALL, Colonel,
Acting Secretary to Government.

From the Superintendent and Agent for Army Clothing, Madras, 3rd May 1859, *No.* 197, *to the Secretary to Government, Military Department.*

I have to report for the information of Government, that the grant of Rupees 60,000 sanctioned in Extract Minutes Consultation, No. 3,840 of 26th October 1858, has been expended on the public service: and in reference thereto, I beg respectfully to remark, that I have most earnestly solicited the Commission on Public Offices to grant me a direct and special audit on my accounts up to the 30th April. My reasons for this are twofold—1st, To relieve myself of the responsibility attaching thereto; 2ndly, That in consequence of the very large arrears left me to bring up, and the absence of all arrangements for the introduction of a more expensive article of dress to be made up in a more expensive manner, viz., by measurement, I wish to show to Government, I have used the means at my disposal in an *energetic, careful and economical* manner.

2. Meanwhile, the work of the Army Clothing Agency must be carried on, and funds are required for so doing. A further credit is therefore necessary. As unfortunately from the change in the dress and the change in the mode of making, it is impossible to institute any comparison between the present and former systems, I do not request the sanction of Government for the usual grant of Rupees 60,000 in advance for the year 1859-60; but I would prefer in lieu, that the Government would, as is done in the Commissariat, sanction an advance for the current month, of Rupees 7,540, as per the accompanying Estimate prepared in accordance with the form in use with the Commissariat Department. I further propose, should the Government see fit to approve, to submit monthly similar Estimates, and which, as my accounts are, and will be submitted to the Auditor punctually on the 15th of each month, will afford the most ready means of checking any expenditure, which, in reference to Extract Minutes Consultation, No. 835 of 1st March 1859, has had my most careful attention.

3. It is right I should here mention that the heavy increase of my estimated expenditure for 1858-9 over the actual of 1856-7, arises from the fact of there being only one year's stock of cloth maintained in store, whereas the orders are to have a stock equal to three years' consumption; the increase therefore is solely attributable to the increased demands on England; other Departments have for years past been receiving immense supplies from England, and these being now discontinued, makes their estimates much lower, and heightens the contrast against this Department.

Statement showing particulars composing the amount of the accompanying Estimate of Cash, required for the disbursements of the Army Clothing Department, for the month of May 1859.

	RS.	A.	P.	RS.	A.	P.
To pay for making up Clothing	4,000	0	0			
European Overseers	90	0	0			
Supervising, Examining and Cutting Tailors	500	0	0			
Shroff, Lascars, Painters, Markers and Tinmen	300	0	0			
Longcloth, Sheeting and Country-made articles	2,500	0	0			
Contingencies and packing, transporting and shipping charges ...	150	0	0			
Total...Company's Rupees				7,540	0	0

(Signed) A. H. HOPE, Captain,
Superintendent and Agent for Army Clothing.

ARMY CLOTHING DEPARTMENT,
No. 130, MOUNT ROAD, MADRAS,
3rd May 1859.

Estimate of Cash required for the Disbursements of the Army Clothing Department, for the month of May 1859.

Department.	Sums required.			Total.			Remarks.
	RS.	A.	P.	RS.	A.	P.	
Army Clothing………………	7,540	0	0				
Total…Company's Rupees				7,540	0	0	

Total Company's Rupees Seven thousand five hundred and forty.

(Signed) A. H. HOPE, Captain,
Superintendent and Agent for Army Clothing.

ARMY CLOTHING DEPARTMENT,
No. 130, MOUNT ROAD, MADRAS,
3rd May 1859.

Referred for the consideration and report of the Accountant General.

5th May 1859.

From the Accountant General, Pater's Gardens, 13th March 1859, *No.* 5, *to the Acting Secretary to Government, Military Department, Fort Saint George.*

With reference to a letter from the Superintendent and Agent for Army Clothing to your address dated the 3rd instant, referred for my consideration and report, I have the honor to state, that before submitting the required report, I deemed it necessary to obtain the views of the Auditor of Commissariat Accounts on the subject, and from his reply just received, it would appear that he quite approves of the change of system proposed by the Agent, viz., to draw the Funds required for his disbursements on monthly estimates duly sanctioned by Government in the Military Department in substitution of the yearly grants as heretofore.

2. It is further stated by the Commissariat Auditor, that the former is the course pursued by Executive Officers of the Commissariat, whose monthly Estimates are first approved of by the Commissary General, and then forwarded for sanction to Government in the Military Department, and also by the Agent for Remounts at Usur, who, it would appear, forwards his estimates direct to the Military Secretary to Government.

3. The Commissariat Auditor is further of opinion that the Cash transactions of e [illegible] month, are, by this plan, rendered complete in themselves; and it would seem that greater facil [illegible] mptitude and punctuality of audit are thereby secured.

4. Under the above circumstances, there appears to be no objection to the introduction of monthly estimates, in substitution of the usual yearly grants as heretofore.

5. The Commissariat Auditor notices that it will rest with Captain Hope to sa [illegible] he Military Secretary to Government, of the reasonableness of all Estimates he may send in for sanction.

6. The amount estimated for, in one month, is not, however, within certain limits, [illegible] ter of very great importance, because it will be the Commissariat Auditor's duty, as each month's accounts are presented for audit, to take notice of any apparently unreasonable amount of cash that may remain in hand at its conclusion; and in the event of satisfactory explanation not being afforded, to desire that an equivalent reduction be made in the Eestimate next succeeding.

ORDER, No 1,833, 25*th May* 1859.

The Governor in Council observes, that under the system of advances recommended in the foregoing papers, the correspondence with Government, of the Departments of the Superintendent of Clothing, Accountant General, and Auditor of Commissariat Accounts, would all be unnecessarily increased.

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2. The preferable course would be, to submit for the sanction of Government, an annual Estimate of anticipated expenditure for the Clothing Department for each official year, which would tend alike to facilitate business, economize time, and to diminish correspondence.

3. After these annual Estimates had been submitted through the Auditor of Commissariat Accounts, and the Accountant General, and had received the sanction of Government, funds would be placed at the disposal of the above functionaries, who could then, within the limit of the aggregate amount sanctioned, authorize such periodical advances to the Superintendent of Clothing as the demands of the Public service and the state of the Departmental accounts might warrant.

4. This system would be combined with an *effective* system of monthly account, and the annual statements are submitted through the Military Department for transmission to the Government of India, in the month of July of each year as ordered.

5. The Accountant General will report whether he sees any objections to the adoption of the proposed course; and if not, whether the system may not be advantageously extended to Departments generally, in which advances of Cash are required from Government.

6. Meanwhile, as Captain Hope represents that funds are urgently required for the immediate purposes of his Department, the Governor in Council sanctions the advance of Rupees (7,540) seven thousand five hundred and forty, as a temporary arrangement, pending receipt of the Accountant General's report called for in the preceding paragraph.

From the Superintendent and Agent for Army Clothing, Madras, 23rd May 1859, *No.* 203, *to the Secretary to Government, Military Department, Fort Saint George.*

With reference to my letter No. 197, of date 3rd instant, which solicited monthly grants of funds to meet the current expenses of this department, I have now the honor to submit an Estimate for the month of June 1859, and to solicit an advance of Rupees 7,560 in accordance therewith.

I beg to add, that the unexpended balances of these monthly grants will be duly refunded to the Military Paymaster.

Statement showing particulars composing the amount of the accompanying Estimate of Cash required for the Disbursements of the Army Clothing Department, for the month of June 1859.

	RS.	A.	P.	RS.	A.	P.
To pay for making up Clothing………………………	4,000	0	0			
European Overseers………………………	110	0	0			
Supervising, Examining and Cutting Tailors………………	500	0	0			
Shroff, Lascars, Painter, Markers and Tinmen………………	300	0	0			
Longcloth, Sheeting and Country made articles………………	2,500	0	0			
Contingencies and packing, transporting and shipping charges…………	150	0	0			
Total…Company's Rupees				7,560	0	0

(Signed) A. H. HOPE, Captain,
Superintendent and Agent for Army Clothing.

ARMY CLOTHING DEPARTMENT,
No. 130, MOUNT ROAD, MADRAS,
23rd May 1859.

Estimate of Cash required for the Disbursements of the Army Clothing Department, for the month of June 1859.

Department.	Sums required.			Total.			Remarks.
	RS.	A.	P.	RS.	A	P.	
Army Clothing……………………	7,560	0	0				
Total…Company's Rupees				7,560	0	0	

Total, Company Rupees Seven thousand five hundred and sixty.

ARMY CLOTHING DEPARTMENT,
No. 130, MOUNT ROAD, MADRAS,
23rd May 1859.

(Signed) A. H. HOPE, Captain,
Superintendent and Agent for Army Clothing.

From the Accountant General, Pater's Gardens, 1st June 1859, No. 12, to the Acting Secretary to Government, Military Department.

1. I have the honor to acknowledge the receipt of the Order of Government, dated the 25th ultimo, No. 1,833, directing me to report whether there is any objection to the adoption of the course proposed by Government, instead of the course suggested by the Clothing Agent, which was that he might be allowed to submit Estimates to Government *monthly*. I fully concur in the views expressed by Government as tending to relieve Government of unnecessary trouble, facilitate business, and diminish correspondence.

2. To carry these out, an Estimate will have to be submitted to Government *annually* by the Agent, through this Office, after it shall have been approved of by the Auditor of Commissariat Accounts; and when the same shall have been sanctioned by Government, this Office will place funds at the disposal of the Agent, within the aggregate amount sanctioned, on monthly Estimates duly passed by the Commissariat Auditor, the proper judge of the periodical requirements of the Agent, from the state of the Accounts before him.

3. The Agent can, at once, furnish an Estimate, in the manner proposed, of the further advance which he may require for the year 1859.

4. Under the Orders* of Government now acknowledged, I authorized an advance of Rupees 7,540, to be disbursed to the Army Clothing Agent to meet the expenses for the month of May.

* *Para.* 6.

5. I shall do myself the honor of addressing Government presently on the subject of extending the proposed system of annual Estimates to Departments generally, in which advances of cash are required from Government.

Order, No. 2,013, 9th *June* 1859.

1. Resolved that the foregoing letter from the Accountant General be communicated to the Superintendent of Army Clothing, to whom instructions will shortly be issued for an improved administration of his Department.

2. Meanwhile, the Accountant General is authorized, in communication with the Auditor of Commissariat Accounts, to arrange for the current expenses of the Clothing Department being provided for, pending the issue of the instructions referred to in the preceding paragraph.

3. Further orders will be passed on the subject of Mr. Prendergast's letter, on receipt of the general report referred in the concluding paragraph.

From the Accountant General, 1st August 1859, No. 137, to the Chief Secretary to Government, Fort Saint George.

1. I have the honor to forward herewith, copies of demi-official correspondence* which passed between myself and Colonels Marshall and Crewe, on the subject of the Budget system, and request you will be good enough to state whether Government require an Estimate of Civil charges for 1859-60 and succeeding years, of the description alluded to in Colonel Marshall's letter to Colonel Crewe, dated the 13th instant.

* *Also the following original papers to be returned:—*
Orders of Government in the Military Department, dated 25th May and 9th June 1859.
Letter to Military Secretary to Government with two Estimates Nos. 1 *and* 2 *dated 8th July* 1859, *No.* 100.

2. I require the distinct authority of Government in the matter, because I shall have to state my authority when I call upon the heads of Departments enumerated in the annexed List, to furnish such an Estimate for the current Official year. Similar Estimates will have to be sent in annually by the middle of March at the latest, in order that the general Estimate may be compiled and submitted to Government by the 1st May of each future year.

List.

Director of Public Instruction.	For all educational charges.
Chief Engineer.	Do. of Public Works, both Ordinary and Extraordinary, including salaries &c.
Archdeacon.	Do. Ecclesiastical charges.
Superintendent of Marine.	Do. Marine charges, including Master Attendant's Office, Registrar of Merchant Seamen's Office &c. &c.
Director General, Medical Department.	Do. for the Vaccine and Civil Medical charges at the Presidency and out stations.
Chepauk Agent.	Do. Carnatic stipends of every description; also the Office establishment of the Political Agent, salary, establishment, &c., of the Paymaster of Stipends.
Commissioner of Police, Madras.	Do. Police and Magistrate charges.
Board of Examiners.	Do. Office establishment, establishment of Native Teachers, &c., the allowance of Civilians qualifying for the Public service, including charges for Books to be purchased.
Government Astronomer.	For charges connected with the Observatories.
Private Secretary to His Excellency the Governor.	Do. All charges connected with the Government House, including his own and the Military Secretary's salary and establishment, &c. &c.
Superintendent of Stamps.	All charges connected with stamps and Postage labels.
Postmaster General.	Do. Postal charges.
Commandant of Volunteer Guards.	Do. charges connected with the Volunteer Guards.
Civil Auditor.	Naval Batta, Deputation allowance, and allowance to Civilians out of employ; also House-rent to them. Temporary establishment and rent of buildings engaged by Government.
Chief Secretary to Government.	Office establishment, Contingencies, Pensions and Gazette Press charges.
Revenue Secretary to Government.	Office Establishment, Contingencies and Pensions paid through each.
Military do. do.	
Board of Revenue.	
Court of Sadr and Foujdari Adálat.	
Registrar of Supreme Court.	
Government Translators.	
Sub Treasurer.	
Civil Auditor.	
Reporter of External Commerce.	
Secretary to Government Savings' Bank.	
Judges of the Small Cause Court at Madras.	
Sheriff of Madras.	
Coroner of Madras.	
Administrator General.	
Chief Clerk, Insolvent Debtor's Court.	
Government Law Officers.	
Assay Master.	
Mint Master.	
Officer in charge of the Museum.	
Chemical Examiner.	
Superintendent of Stationery.	

Government Agent and Commissioner at Tanjore.	Office Establishment, Contingencies and Pensions paid through each.
Special Agent at Pondicherry.	
Collector in charge of General Treasury at Masulipatam.	
Resident at Travancore.	
Commissioner of Mysore.	
Paymaster Stipends at Vellore.	
Inspector General of Jails.	For all charges of the Prison Dept.
Conservator of Forests.	Do. Forest charges.
Inám Commissioner.	Do. Inám charges.
Director of the Revenue Settlements.	Do. Survey and Assessment charges.
Chief Commissioner of Mofussil Police.	Do. District Police charges.
All Collectors.	Do. Revenue and Judicial charges, Pensions &c.
Collector of Tanjore.	For Advances to be made to the Sirkele of His late Highness the Rajah of Tanjore.

(Signed) G. L. PRENDERGAST,

Accountant General.

From the Accountant General, Fort Saint George, 1st November 1859, No. 287, to the Acting Secretary to Government, Military Department.

1. With reference to the Orders of Government, dated the 25th May* last, No. 1,833, on the subject of the Budget system being introduced in the Military Department for all advances required to be sanctioned by Government for payment of Troops, &c., I have the honor to state that this Department has accordingly called upon the Officers noted in the margin† for their Estimates for the current official year 1859-60, to be prepared on the best possible data. All the Estimates have been received, except that of the Inspector General of Ordnance and Magazines, who has been called upon to expedite its transmission.

* *And the demi-Official correspondence which passed between the late Accountant General, and Colonels Marshall and Crewe.*

† *Military Auditor General.*
Commissary General.
Superintendent and Agent for Army Clothing.
Inspector General of Ordnance and Magazines.

2. Under these circumstances, I request you will have the goodness to inform me, whether I am to submit at once, for the sanction of Government, the Estimates now received, or to await the receipt of the Estimate from the Inspector General, and then compile and submit one general Estimate.

Minute by the Honorable the President, 8th November 1859.

The Accountant General should be requested to furnish the Estimates he has received, and to send the one for the Ordnance Department when he gets it.

ORDER, No. 3,993, 11*th November* 1859.

The Accountant General is requested to furnish the Estimates he has received, and to forward that for the Ordnance Department when he obtains it.

(True Copies.)

(Signed) H. MARSHALL, Colonel,

Acting Secretary to Government.

Vide letters to England
No 10 of 1860

Financial 1860 Department

Minute by the Honorable
the President

Dated 12th May
Recd 21st May

No. 240

S.O. No 228
S.L. No 232

Observations on the Resolution of the Government of India 7th April on the proposed System of Financial Budget Estimates and Audit

6

Minute

I fully concur in the remarks of the President on the Resolution of the Supreme Govt ~~in the Financial Dept~~ to establish a system of Budget-Estimates & Audit for the entire Empire. – That measure would have great & manifold advantages as far as it gave the Govt. of India a control over the finances of the Empire – but this control should, I conceive, be exercised in an "Imperial" sense – That it is to say after fixed sums have been assigned to the different Presidencies for their Departmental expenses the Supreme Govt. should limit its attention to the point whether the outlay falls within the sanctioned amount, leaving the details of the Expenditure & the detailed Audit to the Local Government. – It is however unnecessary for me, after the President's Minute, to go over this ground, & my object is to offer a few remarks on that part of the Financial Resolution, which alludes to the Establishment of "a Central Board of Revenue for all India"

2 According to the terms of the Resolution
this Central Board "will concentrate infor-
"- mation regarding the Revenues in all parts
" of the Empire - will advise the Supreme Govt
" in all fiscal questions; will assist in prescribing
" general rules - and will keep the Supreme
" Govt informed as to how those rules are
" acted up to." The Revenue Board of
this Presidency & the Local Govt would thus
in reality be superseded, & judging by instances
of late legislation a line of policy seems
entered upon for centralising all authority
at Calcutta. - I allude to the Customs
Act X of 1860, and to the Draft Act for
levying an Income Tax throughout the Empire
in the form in which it has just been read a second time.
- The Sections of this last Act which are
Section IX - Clause 2 marginally noted prohibit the local
Govts from removing ~~certain~~ all Commissioners
" LXXXIII who do not belong to the public service
"without the consent of the Governor General
" - CLXV of India in Council" Punchayets are
not allowed to be employed for assessing
Towns, Villages or Districts without similar
special authority in each instance
and the division of the Commissioners Districts is placed
under the same control

3 - The local Governments having been
already deprived of authority in the Dep-
artments of the Post Office - the Electric
Telegraph - ~~the Treasury~~ the Treasury Audit & Account
and the land & sea Customs ~~(land & sea)~~ would
~~deprived of all of their [illegible]~~
therefore be virtually reduced to cyphers
if deprived of their control over the general revenue administration.
Their position would not then ~~[illegible]~~ be such
as to inspire respect in the minds of the people
or add to the strength of the Empire, &
I had hoped that opinion was tending
towards an opposite course - viz ~~leaving~~ the giving
to each Presidency a Legislative Council & leaving it to manage its own affairs
with all the freedom which is consistent
with an Imperial ~~control~~ superintendence over the finances,
the leading principles of administration & our relations with foreign & independent
States. - But I do not propose to enter into
a discussion of the arguments for & against
the ~~great~~ mooted question of Centralisation - My
object is to show that the interests of our
provinces are too complicated for them
to be managed with advantage by a
distant Central Board ~~of Revenue~~ at Calcutta,
and the position which I hold at the head of the Revenue
Department will, I trust, make Remarks

on this part of the subject not inappropriate from the [illegible].

4 The constitution of the new Central Board is not mentioned nor are its functions powers defined as respects its position towards this Government & ~~the~~ the our ~~Local~~ Board of Revenue – But even if it had a Madras representative ~~among its members~~, I fear that his voice would be overpowered by the other members through that feeling which always exists in favor of known systems and a natural disrelish ~~[illegible]~~ to enter into the complicated details of a new & strange subject such as the Madras Ryotwary in its various ~~subject~~ forms. + = How important these points are may be inferred from the consideration that unless the Central Board supersedes the Local Board of Revenue & the Madras Govt. by taking the revenue administration into its own hands it would be an anomalous & nearly useless institution ~~[illegible] nearly useless~~ – Its practical operation would be to ~~would~~ lead to delays in measures of reform, to lengthened controversial discussions & clashings of authority, & to entail a heavy additional burden on the finances of the Empire. –

+ It must also be remembered that a single member from Madras could carry to the Central Board but very limited information regarding the revenue administration of this Presidency – Its provinces differ so much in their principles of assessment, land tenures & usages, that no individual can be practically acquainted with them all, & this consideration has had great weight in ~~entrusting~~ continuing the Revenue Department under the present ~~to a~~ Local Board, instead of transferring the charge to a Commissioner or to the Revenue Secy to Government.+

— 5 — Experience has shown that the centralizing system which ever now exists, & which has deprived the Heads of Provinces & the Revenue Board of discretionary powers & vested all the authority in the Government has retarded reform & improvement – Things not actually in sight make little impression & distant provinces are ~~the~~ the last to attract the attention & benefit by the measures of Government. Evils remain long unredressed when the power of redress is not vested in those who witness them – Thus although the over-assessment of our Provinces & many blemishes in our Revenue system have been repeatedly reported by the local Officers, no corrective measures were applied until recently, ~~applied~~ when the greater ~~publicity~~ light thrown on all public affairs by a larger European community & a free press rendered further inaction impossible. The result of the long delayed reform has been that the Land revenue has sprung up ~~in the [illegible]~~

See Statement D of Rev. Board's Adm. Report for 1858/9

from 354 Lacks in fasly 1258 to ~~10 years from 354~~ 2d. 1848 410 Lacks in the past year, but our reforms are still ~~scarcely~~ little advanced ~~beyond commencement~~ ~~progress~~ & who can reckon what has been lost to the State & the country by the 50 years previous delay, ~~&~~ how much our administration has suffered in the eyes of the people by their local rulers being powerless to remove the faults of the system ~~[illegible]~~ under which ~~they suff~~ their industry was repressed & the Provinces remained unimproved?

6. Now it appears to me that these evils of hesitation & delay would not only be renewed but even be aggravated by that enlarged system of centralisation under which it is ~~aggravated by the revenue admini~~ proposed to transfer the revenue administration of this Presidency ~~[illegible] transferred~~ to a Central Board at Calcutta – That Board would have less knowledge of the ~~peculiarities~~ the condition & the wants of our Provinces, & be less directly interested in their welfare than the Local Government. – Evils at so great a distance would, ~~[illegible]~~ more than ever, half cease to be considered evils, and measures of reform would not be hastene

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when they had to be considered by the members of a Board to whom the details of our system are absolutely unknown. & who would ~~have~~ first to learn the varieties of our Ryotwary ~~[illegible]~~ systems as shown in the ~~joint &~~ single proprietary estates of Canara & Malabar – in the ~~[illegible]~~ peculiar assessments & Meerassy tenures of Tinnevelly & Tanjore & in the detailed field assessment of the Carnatic & Ceded Districts. – It is difficult for anyone to take up willingly an imperfectly understood subject, & ~~pleas~~ excuses for delaying replies to suggestions of reform would be ~~easily~~ always found in the mass of business which would fall on a Central Board for all India and in the plea that our modes of Revenue administration must be compared with those which prevail elsewhere before deciding whether they were capable of improvement or should be ~~[illegible]~~ entirely altered.

better drop the [illegible] 1850 [illegible]

7. – The difficulty & delay which must arise when questions have to be disposed of by distant authorities is no mere supposition. – Numerous instances might be given, but I will allude on this occasion to one only – the Madras Revenue Survey – The admitted

over assessment of many of our Provinces & the imperfection of their land registers ~~Statistics~~ led Govt. to the opinion that a Revenue Survey was absolutely necessary – The subject had occupied the attention of Govt. for several years, & an elaborate plan was laid before the Supreme Govt. in 22 Sept 1855 – But though it was a case calling for early action more than a year elapsed before the Madras Govt. was informed that their scheme was recommended for sanction ~~adoption~~ to the Home Govt. – I feel too that under a distant Central Board these recent reductions of assessment which have been so beneficial to Govt. & the people could not have been recommended with any hope of success. –

– In the Province of South Arcot for example Govt. reduced the assessment in 1854 by about 30 per cent, & the land revenue has sprung up from an average of 22 Lacks to 28 Lacks in the last year – The general revenues of the Province show an advance ~~of~~ from 27 to 35½ Lacks, and the condition & contentment of the people have been advanced ~~ameliorated~~ in proportion.

But although these ~~Notwithstanding however these~~ advantageous results have proved the correctness of the information on which the Govt. acted, I believe it would have been impossible to lay the subject before a distant Board in such a light as would have induced its members to ~~consent to~~ a ~~measure~~ which appeared to ruin or ~~[illegible]~~ at least jeopardize ~~[illegible]~~ 11 Lachs of existing revenue. Ψ

Ψ In the same manner it required a local & vivid knowledge of all the evils which resulted from the Tobacco Monopoly in Malabar & Canara, to get rid of that injurious & demoralising branch of Revenue in 1854 at a sacrifice of 5 Lachs of rupees.

8. – I have already expressed my opinion ~~[illegible]~~ that a ~~the~~ Central Board of Revenue for all India must lead to one of the following two difficulties 1st. It must be overwhelmed by work if it supersedes the existing local authorities 2nd. It must lead to confusion, multiplication of correspondence & clashing of authority if it does not do so. –

9. – Supposing the first arrangement to be intended I cannot think ~~suppose~~ that the mass of business which now falls upon our Board of Revenue can be at all under-

stood, & therefore annex a Mem: showing the extent of ~~the~~ its correspondence ~~for the~~ in the last four years. – Besides ~~the~~ our varied Land revenue, three branches of Revenue would come before ~~the~~ the new Board in ~~#~~ novel forms, such as the Salt ~~the~~ Abkarry & Moturfa. – Then our Village irrigation of Small Tanks & Channels is so connected with the Land revenue that continual correspondence with the Public Works Dept could not be avoided, and in addition to all this business are the control of the large Native Establishments, Appeals & Petitions, forming altogether a mass of correspondence which would soon bring Govt. to a stop, if carried on with the delays which must ~~attend~~ follow the establishment of a distant Board.

Year	Letters despatched & received	Petitions	Total
1856	13086	3903	16989
1857	12836	4431	17267
1858	15373	3905	19278
1859	18372	4579	22951

10 – If on the other hand the Local Board of Revenue, acting under the Madras Govt. is to continue, I fear that the new arrangement would lead to a paralysing uncertainty, to contradictory orders & to clashing of authority. – Officers in the Provinces would cease to have confidence in the orders issued to them by the customary Authorities, & the character of the Govt. administration would be lowered by its action being interfered with ~~in the ordinary details of administration~~. – Such a state of things could never be conducive to good government but just now it would be especially ~~undesirable~~ injurious, when a Revenue Survey & re-assessment of the Land is in progress, when an Inam Commissioner is dealing with the Rent free holdings of the Presidency, & when a Member of the Revenue Board is occupied in ~~re-distri-~~ re-arranging ~~buting the~~ divisions of our Districts & revising their Establishments.

I would not [illegible]

11 – I am aware that the subject may be regarded in a higher & less technical point of view – but feel it is unnecessary for me to repeat the often used arguments of the opponents & supporters of centralisation. – I will shortly observe that I am in the former class, & fear that the establishment of a Central

Revenue Board would not add to the strength of our administration, or aid in practical usefulness. The interests of the Empire are too numerous & too varied to be grasped by any central authority, & as expressively remarked by the President, we ought to remember that congestion of the head may occur in attempting centralization & bring on paralysis of the limbs. Harmony in the great principles on which our administration is conducted has been already attained and this is the real end to seek & not absolute uniformity in details + It cannot add to the strength of the Empire in my opinion to lower the local Governments in the eyes of the people by depriving them of all power to remedy defects & grievances, ~~and~~ to carry out measures of ~~improvement~~ reform. Nor will the people feel equally safe in the enjoyment of their rights privileges & land tenures, when the administration is carried on by a distant & ~~unknown~~ unseen authority which must, they know, be imperfectly acquainted with their interests, wants & usages.

~~Such~~ The proposed transfer of authority would be the less understood by the people of the Presidency from its interfering with the course of the Govt when engaged in an active & ~~useful~~ successful career of Revenue Reform.

+ Argument might even be urged for some variety of system as leading to comparison & discussion, & thus adding to our knowledge & powers of improvement

19 May 1860.

E. Maltby

Vide letter to England No 10 of 1860

Finl. 1860 Department

Minute by the Honorable E. Maltby

S.O. No 228
S.L. No 232

Dated 19th May
Recd 21 May.

No 241

Remarks on the proposed Establishment of a "Central Board of Revenue for all India" alluded to in the Reso. of the Government of India relative to the new System of Financial Budget, Estimates and Audit.

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Financial Depart.

Proceedings of the Madras Govt.

Read the Resolution of the President and Council of India dated 7th April 1860 on Budget, Estimates and Audit.

Read Minute by the Honble the President 12th May 1860 —

Do. by Honble E. Maltby — Here enter 19th May 1860

Order thereon 22d May 1860. No. 228.

His Excellency the Governor in Council observes that the Resolution above recorded has been anticipated as far as this Government is concerned.

the
A communication to the ~~same~~ effect of ~~this~~ ~~Order~~ Resolution should be made to the Govt of India by the Steamer shortly to arrive, and attention should be called in it to Mr Maltby's and my Minutes in which the bearing of the proposed financial measures upon the functions and mutual relations of the different Anglo-Indian Governments is discussed

will

m 22 May 60.

2

2. On the 25th May 1859 it was observed that instead of a system of advances which had been recommended for the Army Clothing Department, the preferable course would be to submit for the sanction of Government an annual Estimate of anticipated expenditure for each Official year, upon which issues might be made from time to time as might be required; and that this should be combined with an effective System of monthly Account and Audit. This course was resolved upon in reference to the Army Clothing Agency; and other Military Departments were called upon to furnish annual Estimates upon the same principle.

3. In his letter of the 1st August 1859 No. 157 the Accountant General enquired whether Govt. required an estimate of Civil charges for 1859/60 of the above description. He required the distinct authority of Government in the matter, as he would have to state his authority when he called upon the heads of Departments concerned

concerned, as enumerated in a list which he annexed, to furnish such an Estimate for the Year then current—

4. No Orders were passed upon this application. but the papers before Government connected with Estimates in the Military Department were on the 22d. November last referred to the Military Finance Commission with the Minutes, of the President, His Excellency the Commander in Chief and the Honorable Walter Elliot dated on the preceding day—

5. The only Military Estimate which has been received for 1860/61 is that for the Ordnance Department. Taken together with the report which accompanied it it furnishes a complete view of the state and prospects of the Departmt. and lays a solid foundation for future comparative estimates— The Government will shortly give directions upon it in detail

6. Meanwhile orders will be issued thro' the Military Department for hastening the submission of the other Military Estimates— The Accountant General will also, in reference to his letter of the 1st. August last, be authorized to call upon the several Heads of Civil Departments

-ments and Offices enumerated in his list - and any others not included in it - to ~~submit~~ transmit as early as possible to him estimates of their ~~Civil~~ Charges for 1860/61. in view to his submission to Govt of the estimate of Civil charges for that year

J.P.

To the Military Depmt
" Accountt General } Despd 22d May 1860

Vide letter to England
No 10 of 1860

. Pro of Govt 30 May
Financial 1860 Deptt

No 228

Proceedings of Govt

of 22d May 1860

Further paper No 246

Passing observations
on the Resolution of
the Govt of India d/
7th April 1860 on Bud
get Estimates and
Audit –

5 @ 8.

C19 May
R22 ..