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MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 107 Press / Mis.

69-70.

Dated 26-2- 1861.

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Not to be folded or roughly handled

Proceedings of the Madras Government, Financial Department, 26th February 1861.

No. 69. Read the following Extract from the Proceedings of the Government of India, in the Financial Department, dated 25th January 1861, No. 965.

Read Notes by the Honorable Sir H. B. E. FRERE, dated the 13th November last, on the Budget Forms forwarded for the consideration and orders of the Government of India, with the Budget and Audit Committee's Report, No. 6, dated the 27th October last.

Read the Remarks of the Budget and Audit Committee on the above Notes, dated the 17th November last.

Read again the Financial Resolution of the 14th November last.

Read also the undermentioned papers:—

Office Memoranda from the Inspector General of Accounts, Public Works Department, Nos. 13 and 41, dated respectively, the 3rd November last, and the 15th instant.

Endorsement from Financial Department, No. 11,944, dated the 6th ultimo.

Letter from the Budget and Audit Committee, No. 9, dated the 8th ultimo.

RESOLUTION.—The Honorable the President in Council is pleased to pass orders on the Notes and Remarks above alluded to, as shewn in the last column of the following Tabular Statement. The present orders, it will be observed, supersede in some cases the orders issued on the 14th November last, on the Budget and Audit Committee's Report, No. 6, dated the 27th October last.

Sir Bartle Frere's Notes.	Budget and Audit Committee's Remarks.	Orders of Govt.
"Abstract of separate Statements under the Government of India."	It is true that the only items that can strictly be called "Imperial" items are those entered under the head of "General and Political." But it cannot, the Committee respectfully submit, strictly speaking, be said that the details regarding the Provinces of the Eastern Settlements, &c., have "nothing more to do with the Government of India than those of any other 5 Provinces in India," since the powers of the Governor of the Straits Settlements, and the Commissioners of Oude, Nagpore, &c., are more limited than the powers of the Governors of Madras and Bombay, or the Lieutenant Governors of Bengal, the North Western Provinces, and the Punjab, and many more questions from the former Provinces than from the latter, are in consequence submitted for orders of the Government of India. The accounts too of the former Provinces have always been rendered to the Accountant General to the Government of India, which Government must be regarded as immediately responsible for the Financial results. It is for these reasons that the Provinces of the Eastern Settlements, Oude, Nagpore, Pegu and Martaban, and Tenasserim, have heretofore been entered u der the	The course now suggested appears to the President in Council to be the best course, and he directs that it be adopted.
It is observable that this general heading, "Government of India," is liable to, and does, mislead. The only items really belonging to the Government of India, are those in the 3rd column—"General and Political." The details regarding the 5 Provinces under the direct management of the Supreme Government have nothing more to do with the Government of India than those of any other 5 Provinces in India. It would be very desirable, in future, to devise some name which should better express what is meant. Perhaps, when Pegu and Tenasserim are united, it will not be inconvenient to treat all four Provinces separately like so many Lieutenant Governments. But if there are objections to this course, some name should be devised which, like "separate Administrations" or "Commissions," would indicate what is really meant, leaving nothing to be included under the head "Government of India," but what is really part of the Imperial Receipt and Expenditure, as distinguished from what is local. 1 Eastern Settlements. 2. Oude. 3. Nagpore. 4. Pegu and Martaban. 5. Tenasserim.		

Sir Bartle Frere's Notes.	Budget and Audit Committee's Remarks.	Orders of Govt.
	head of "Government of India;" but there does not appear to the Committee to be any objection, for the future, to adopt the course proposed by the Honorable Sir Bartle Frere, of treating the said Provinces separately, especially when the accounts come to be made over to the Local Accountants, in accordance with the recommendation contained in the Committee's Report of the 30th July.	
It will be very desirable, in future years, to have "Sayer" and "Abkary" shown separately as distinct sub-divisions of "Land Revenue." Also, "Excise on Salt" distinct from "Customs."	The headings in these cases were taken from the Receipts and Disbursements of former years. But there will be no difficulty in entering the Receipts separately in the manner proposed. The Accountant General to the Government of India may be instructed accordingly.	The modified plan should be adopted.
Government of India—Revenues and Receipts, page 4. Will there be no License Tax Receipts?	License Tax Receipts, should there be any, will be entered under the head of "Assessed Taxes." It was not thought necessary to provide for them in the Forms, pending the passing of the Act.	Approved.
Should Bengal Presidency Railway Receipts all go under the Government of India? Might they not better go separately under each Local Government?	It is, the Committee believe, quite right that Bengal Presidency Railway Receipts should all be placed under the Government of India. They appertain to the Account Current with "London," and must be brought together by the Accountant General to the Government of India. All the payments also have to be made into the General Treasury, Calcutta. They may be classed as "Imperial," moreover, from the circumstance of the Railway contracts being made with the Government of India.	The Committee's views are correct.
Public Works Expenditure consists of 2 grand classes— 1*st*. For works directly connected with the Administration, *e.g.*, Barracks, Jails, Court Houses, &c., which again fall under the two great sub-divisions, Military and Civil. 2*ndly*. For works of public convenience and improvement, *e. g.*, Roads, Bridges, Canals, &c. The Forms put the 2nd of these classes along with the Civil Division of the 1st class, under the head of Civil Services. It is of impor-	In considering the Forms proposed by the Committee, it must be borne in mind that they have reference to the Public Works of the *Civil* Department only. Military Public Works, and Public Works connected with the Indian Navy, will be exhibited in the Returns made by the Military Finance Commission, and do not require notice in this place. In regard to the Civil Department, it may be observed that in the specimen Forms, so far as the	The plan now suggested by the Committee will, the President in Council considers, be a great improvement, and he directs that it be adopted.

Proceedings of the Madras Government, Financial Department,
26th February 1861.

Sir Bartle Frere's Notes.	Budget and Audit Committee's Remarks.	Orders of Govt.
tance that the broad line of distinction should be drawn, and that the Expenditure on the 2nd class of Public Works, Public Works Proper, should not be mixed up in the accounts with any other sort of expenditure. The Forms should be carefully collated with the Public Works Classification Report. There appears, as they now stand, no place for expenditure on Land for Railways, Govt. Establishment for do., Embankments, Irrigation Works, Government Work Shops, Mines, nor for Civil Buildings in Bengal. The classification of Public Works under six heads :— Government Houses, Public Buildings, ,, Gardens, Communications, Municipal Works. Marine, seems imperfect and inferior to that of the Classification Report, page 148-9 of the Public Works Code.	Public Works Charges are concerned, it was intended merely to shew how they would be fitted into the General Budget Forms, so as to be suitable as well for the Estimates and Receipts and Disbursements as for the Budget. They might have been entirely omitted for all purposes of a Budget, since they receive separate consideration and sanction, but as in the English system, Public Works Expenditure is exhibited under a particular section or division to which it properly appertains, it was deemed advisable to show how the several sections of the Public Works Budget would be distributed among the several Services; but in doing this it was not intended to interfere with the details of classification already fixed in the Public Works Department. Thus the Charges of the *Revenue Department* are to be shown as Charges against Income, whether under the head of Land Revenue, or of Customs, or Opium, or Salt, or Post Office, or any other; and in the same way all other "State"* Charges for Public Works might have been distributed each under its own class of Civil Service, such as those of Lieutenant-Governors, Secretariats, &c., under Class II; those of Court Houses, Jails, &c., under Class III, and so on. But following the English Forms, all Public Works Charges connected with the Civil Services, as well as all Public Works Charges for "Internal improvements,"† have been collected together as Class No. 1 of Civil Services; and looking to the English practice noted above, the Forms appear to be strictly correct. There will, however, be no difficulty in separating the "State" Works, which it was proposed to enter under Class No. 1 of Civil Services, from the Works of	

*Charges directly connected with the Administration.

†Charges for works of public convenience or improvements.

Sir Bartle Frere's Notes.	Budget and Audit Committee's Remarks.	Orders of Govt.

Class.	Department.	Sub-division.
Internal Improvement. (works of Public convenience or of improvement.)	1. Municipal.....	1. Town Buildings 2. Markets 3. Paving, &c., of streets 4. Lighting 5. Water supply 6. Sewerage.
	2. Marine	1. Harbour- and Navigation 2. Light Houses.
	3. Industrial.....	1. Mines 2. Manufactures.
	4. Agricultural.....	1. Irrigation Canals 2. Tanks 3. Dykes 4. Drainage. 5. Forests.
	5. Communications.	1. Metalled Roads 2. Unmetalled Roads 3. Bridges. 4. Boat Bridges and Ferries 5. Navigable Canals 6. River improvements 7. Accommodation for Travellers
	6. Railways.	
	7. Electric Telegraphs.	

"Internal improvements;" and if it is thought advisable that this course should be adopted, the Committee would suggest that all works of the description entered in the Public Works Budget under the latter‡ head, (with the exception perhaps of Electric Telegraph, which like Post Office is properly a Revenue Department) should be given in the Budget Forms under a separate *division* after "Army" and "Navy," the necessary alteration being made in the distinguishing letters under which the several *divisions* are entered.

The whole of the Public Works Expenditure will then be entered in a clear and intelligible manner. The Charges for each Revenue Department will be shewn under such Department as they appear in the Public Works Budget; the Charges for Civil Services will be shewn as a class of Civil Service, with the details given in the Public Works Budget; and the Charges for works of Internal improvement will be kept distinct as in the Public Works Budget.

To the Budget and Audit Committee, for information.
The Home, Foreign, and Public Works Departments.
The Governments of Bengal, Madras, Bombay, North Western Provinces, and Punjab.
The Accountants General to the Governments of India, Madras, and Bombay.
The Accountants, Bengal, North Western Provinces, and Punjab.
Civil Auditors, Bengal, Madras, Bombay, North Western Provinces, and Punjab.
Military Finance Commission.
} For information and guidance.

The Inspector General of Accounts, Public Works Department, for information and guidance, with reference to his Office Memoranda noted above, as regards the classification of Public Works Charges.

(A true Extract.)

(Signed) C. HUGH LUSHINGTON,
Secretary to the Government of India.

Proceedings of the Madras Government, Financial Department,
26th February 1861.

No. 70. ORDER THEREON, 26th February 1861, No. 107.

Ordered that a copy of the foregoing Proceedings be furnished to the Revenue and Public Works Departments.

(Signed) T. PYCROFT,
Chief Secretary.

Exd. F. Cartledge.

No. 965

EXTRACT from the Proceedings of the Government of India, in the Financial Department, d. 25 January, 1861.

READ Notes by the Hon'ble Sir H. B. E. Frere, dated the 13th November last, on the Budget Forms forwarded for the consideration and orders of the Government of India, with the Budget and Audit Committee's Report, No. 6, dated the 27th October last.

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Read also the undermentioned papers :—

Office Memoranda from the Inspector General of Accounts, Public Works Department, Nos. 13 and 41, dated, respectively, the 3rd November last, and the 15th instant.

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RESOLUTION.—The Hon'ble the President in Council is pleased to pass orders on the Notes and Remarks above alluded to, as shewn in the last column of the following Tabular Statement. The present orders, it will be observed, supersede in some cases the orders issued on the 14th November last, on the Budget and Audit Committee's Report, No. 6, dated the 27th October last.

Sir Bartle Frere's Notes.	Budget and Audit Committee's Remarks.	Orders of Govt.
"Abstract of separate Statements under the Government of India." It is observable that this general heading, "Government of India," is liable to, and does, mislead. The only items really belonging to the Government of India, are those in the 3rd column—"General and Political." The details regarding the 5 Provinces under the direct management of the Supreme Government, have nothing more to do with the Government of India 1. Eastern Settlements. 2. Oude. 3. Nagpore. 4. Pegu and Martaban. 5. Tenasserim.	It is true that the only items that can strictly be called "Imperial" items are those entered under the head of "General and Political." But it cannot, the Committee respectfully submit, strictly speaking, be said that the details regarding the Provinces of the Eastern Settlements, &c., have "nothing more to do with the Government of India than those of any other 5 Provinces in India," since the powers of the Governor of the Straits Settlements, and the Commissioners of Oude, Nagpore, &c., are more limited than the powers of the Governors of	The course now suggested appears to the President in Council to be the best course, and he directs that it be adopted.

Sir Bartle Frere's Notes.	Budget and Audit Committee's Remarks.	Orders of Govt.
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It will be very desirable, in future years, to have "Sayer" and "Abkary" shown separately as distinct sub-divisions of "Land Revenue." Also, "Excise on Salt" distinct from "Customs."	The headings in these cases were taken from the Receipts and Disbursements of former years. But there will be no difficulty in entering the Receipts separately in the manner proposed. The Accountant General to the Government of India may be instructed accordingly.	The modified plan should be adopted.
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Sir Bartle Frere's Notes.	Budget and Audit Committee's Remarks.	Orders of Govt.
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To the Budget and Audit Committee, for information.

The Home, Foreign, and Public Works Departments.
The Governments of Bengal, Madras, Bombay, North Western Provinces, and Punjab.
The Accountants General to the Governments of India, Madras, and Bombay.
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The Inspector General of Accounts, Public Works Department, for information and guidance, with reference to his Office Memoranda noted above, as regards the classification of Public Works Charges.

(A true Extract)

Secretary to the Government of India.

Finl 1861 Dept

No 101 (2)

From

The Secy to the Govt of India - 965.

d/ 25th Jany
r/ 11th Febry 1861.

No 70.

Copy the Resolution of the Govt of India on certain Notes by the Hon'ble Sir W. B. Peare on the Budget Forms forwarded for consideration & the Remarks of the Budget & Audit Committee on the above Notes of 17th Govt Sec.

With an Order

Order thereon 26 February 1861. No 107.

Ordered that a copy of the foregoing Proceedings be furnished to the Revenue & Public Works Department.

To the Rev & Pub. Works Dept. - Desp 27 - 2 - 61.

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R21 "