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MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 533 Press Mis.

60-61.

Dated 20-8- 1863.

60-61 4/5

Not to be folded or roughly handled

Proceedings of the Madras Government, Financial Department,
20th August 1863.

No. 60. Read the following Proceedings of Government in the Public Works Department, dated 13th August 1863, No. 2,286.

Communicating the remarks of the Governor General, on the manner in which the financial operations of the Dowlaishwaram Workshops are to be considered; and on the specific establishment proposed for the same. (Vide Proceedings Public Works Department, dated 13th August 1863, Nos. 258 and 259.)

No. 61. ORDER THEREON, 20th August 1863, No. 533.

To be recorded.

(Signed) A. J. ARBUTHNOT,
Chief Secretary.

Exd. T. O'Connor.

Proceedings of the Madras Government, Public Works Department, 13th August 1863.

No. 258. Read the following Proceedings of the Right Honorable the Governor General of India, Public Works Department, dated Simla, 13th July 1863, No. 1,375—76.

Doulaishwaram Workshops—Establishments and Financial arrangements.

Read the following paper :—

Secretary, Government Fort Saint George, Public Works Department, No. 1,035, dated 27th April 1863.

OBSERVATIONS.—His Excellency the Governor General observes that in June 1862, the proposals of the Madras Government regarding the Establishments for the Doulaishwaram Workshops were submitted to the Financial Department for approval, with the remark that the system of dealing with the charges for these Workshops might better be considered hereafter. The Financial Department however deferred issuing orders till these other questions had been disposed of.* Circumstances have prevented the final consideration of the general question in this Department till the present time, and hence the sanction of the Government of India to the proposed Establishments is still to be given.

* Vide Financial Department, No. 4,249, dated 28th June 1862.

2. There are therefore two points to be considered at present,

I. The general system on which the Financial operations of the Workshops are to be conducted.

II. The specific Establishment to be sanctioned.

3. As to the general financial question, the analogous case of the Roorkee Workshops, North-Western Provinces, may be taken as a guide. In its case the cost of the Establishment is entered in the Public Works Ledger, Part III, in order that a complete statement of this class of expenditure may be given. But the charge, being recoverable from the price of the work done in the Workshops, is again deducted from the total charge to the Public Works Department under this Budget head, in like manner as the transfer for Establishments employed on Local Fund works is deducted.

4. As regards financial control the Establishment should be dealt with in all respects like other Establishments.

5. Next it may be remarked that the cost of all work done in the Workshops for the Public Works Department in any year will obviously fall within the regular Budget Estimate for new works or repairs, as the case may be. To give any grants specially for the Workshops current expenditure would therefore be to give a double credit. It will hence manifestly be the proper system to rule that the operations of the shops shall, as far as possible, be carried on from the current receipts for work done, and that if special advances are ever necessary they should be made from the reserve on letters of credit, in the regular way. The account showing the cash transactions of the Workshops will readily enable the Account Department to decide to what Budget heads such appropriations from the reserve should be held to have been applied, and if thought expedient they might from the commencement be made under specific Budget heads "new works" or "repairs" according to circumstances. The present practice of dealing with the cash transactions outside the Budget, seems irregular and uncalled for.

6. Of course all outlay proposed on new buildings for the Workshops will be properly entered in the Budget as a distinct charge, or met from the reserve, as the case may be, and will become part of the value of the block of the concern. In like manner a reasonable outlay on plant and stock may be incurred as essential, and will form the stock in trade of the Factory. This may be most properly dealt with as a charge for new works. As a general rule such stock will be replaced as expended from the funds received in payment for work done, so that it will only be for any *permanent increase* of the stock in hand, consequent on a general expansion of the operations of the concern, that any separate charge of this sort will fall on the Public Works Budget.

7. A separate Memorandum should be annexed to the annual "Appropriation return" showing the general result of the Workshop's operations for each year, particularly noting the value of stock in hand, the actual outlay on work, and the sums realized and outstanding for such work. Thus, any irregular outlay will at once be brought to the notice of the Audit Department in the regular course.

8. This procedure would appear to put this class of expenditure on a perfectly clear footing.

9. As to the second point, the specific Establishment proposed, it may probably have happened that the Madras Government has carried the contemplated modifications into effect, as orders have so long been delayed. The Financial Department might therefore be again moved to give provisional approval to the proposed scale.

10. Explanation is however required from the Government of Madras on the following points, before a final decision can properly be arrived at.

1st.—The average annual value of work executed at the Workshops should be stated, in order that comparison may be instituted with other similar works.

2nd.—The relation of the Workshop Establishment to the regular graded Public Works Establishment, and whether the salaries are *consolidated* or otherwise.

11. It also seems a point for consideration whether there is any advantage gained by giving "house rent" to the Overseer and Foreman, who are to have free quarters, as a separate allowance, unless it be intended to build quarters for them eventually. If these persons belong to the regular Establishments there would appear no ground for treating them exceptionally, and giving them a special allowance of this sort, which is not given to others.

12. Lastly, if the Establishments formed a part of the general Public Works Establishment, the Madras Government would apparently have a more complete power of promoting deserving men from time to time and giving them increased pay after approved service. For then such promotions could be made within the general sanctioned scale for the whole Department without reference to the Government of India.

ORDERED, that a copy of the above be forwarded to Government of Madras, for information and guidance, and with a request that the information required may be furnished.

Also that a copy be sent to Financial Department, in continuation of the former communication on this subject.

(Signed) R. STRACHEY, Lieut.-Colonel, R. E.,
Secy. to the Govt. of India with the Govr. Genl.

No. 259. ORDER THEREON, 13th August 1863, No. 2,286.

Referred to the Superintending Engineer 1st Division for report in connection with Proceedings, dated 8th May 1863, No. 1,175.

(True Extract.)

Colonel, R. E.,
Secretary to Government.

To the Superintending Engineer 1st Division.
" Controller and Auditor of Public Works Accounts.
" Financial Department.

Exd. J. Wright.

List of 25 Encl.

Financial 1863 Aug 14

Proceedings of Govt in the
P. M. Dept No 2, 286

Aug 14

Dated 13th
Recvd 15th } Aug 1863

10 Spare Copies

No 540

Communicating the
Remarks of the Governor
General, on the manner in
which the financial operations
of the Mauritius Government
are to be considered; & on the
specific establishment pro-
posed for the Year 1863.

No 9533 & 720 Aug 1863

Recorded

60 & 61