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MADRAS RECORD OFFICE.

Government of Madras.

Financial **DEPARTMENT.**

G.O. No. 424 Press / Mis.

37-38

Dated 17-9- 18 69.

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Not to be folded or roughly handled

Proceedings of the Madras Government, Financial Department,
17th September 1869.

No. 37. Read the following extract from a Resolution passed by the Government of India in the Financial Department, dated Simla, 11th August 1869, No. 2284A.

Para. 3. The Right Honourable the Governor General in Council is determined that, as far as it lies in his power to ensure it, the *ordinary* expenses of the Empire shall not, for the future, exceed by a single rupee the revenue of the year. If, from adverse circumstances, the income declines, the charges of every Department must be proportionately reduced. Political and financial considerations of the highest importance are involved in this determination, and His Excellency the Viceroy in Council is fully resolved to adhere to it.

4. The distribution of the Budget grants is based on a careful investigation and comparison of national requirements, and the Viceroy in Council is determined that the grants made shall, no matter at what inconvenience, be regarded as final, and shall neither be exceeded nor re-appropriated except under circumstances of peculiar exigency.

5. His Excellency the Viceroy in Council expects the cordial support of every officer of the Government in carrying out a resolution which is so evidently a matter of political necessity, and which must commend itself to the judgment of every man who has given any thought to the financial position of this great Empire.

6. The subordinate Governments are, of course, bound, as a primary duty, to use the most honest and rigid economy in the preparation of the estimates of their requirements; but it would be wholly impossible for the Government of India to promise that, even after that shall have been done, the entire estimates will be granted without scrutiny or retrenchment.

7. When, as is usually the case, the acceptance of the demands of the several subordinate Administrations would create a large deficit, the Government of India has before it only two alternatives—to impose additional taxation, or to curtail the estimated expenditure.

8. It is one of the most important duties of the Supreme Government to decide which alternative shall be adopted; and, if the latter, where, upon a comparison of the entire demands of the Empire, it is right and expedient to enforce the needful economy.

9. The circumstances appear to the Viceroy in Council to exclude the propriety of remonstrance against retrenchment by a subordinate Administration, except upon the most undeniable grounds. * * * *

10. The completed accounts of the year 1867-68 show an actual excess of *ordinary* expenditure over *ordinary* income of no less than £1,007,695. The revenues of 1869-70 are expected to exceed the revenues of 1867-68 by £1,060,397, leaving a small margin of £52,702, which might be allowed for increase of expenditure in 1869-70 over 1867-68 consistently with the maintenance of an equilibrium. The Military estimates, however, after the exercise of all possible economy, show an increase, as compared with 1867-68, of £246,533, and the ordinary charges of the Public Works Department show an increase of £50,781, so that the Government of India had to meet a net deficiency of £244,612 either by reducing the estimated Civil expenditure by that amount below the actual expenditure of 1867-68 or by imposing additional taxation.

11. Having, in the exercise of its high functions, rejected this latter alternative, the Government of India distributed the deficit in the manner it deemed most fair and most expedient among the several subordinate Governments and Administrations. The Punjab was not, in proportion to its revenues, assessed so heavily to meet this deficit as other provinces.

ORDERED that a copy of the above be published for general information in the *Gazette of India*, and circulated to the several local Governments and Administrations, and to the Officers of Audit and Account, excepting the Accountant General, Punjab.

(Signed) G. H. M. BATTEN,
Under Secy. to the Govt. of India.

Proceedings of the Madras Government, Financial Department,
17th September 1869.

No. 38. ORDER THEREON, 17th September 1869, No. 424.

Communicated to the Revenue, Military, and Public Works Departments.

2. The Governor in Council requests that the Acting Accountant General will at once place himself in personal communication with the Members of the Board of Revenue and will ascertain and report whether, with reference to the present state and prospects of the season and other circumstances, the actual receipts are likely to exceed or fall below the estimates for the current year. Mr. Lodwick will also report, in communication with the Controller of Military Accounts, whether any, if so, what, savings may be expected on the Civil and Military estimates for the current year.

3. In the Public Works Department it will be considered what Civil and Military buildings can be postponed with a view to the reduction of expenditure in that Department.

(True Extract).

Actg. Secy. to Govt.

To the Revenue Department.
,, Military do.
,, Public Works do.
,, Acting Accountant General.

Exd. A. S. Rodgers.

Govt. of Madras.

FINANCIAL.

To

THE REVENUE DEPARTMENT.

&c., &c., &c.

Dated September, 17th.

Recd. *Encl.*

G. O., 17th September 1869, No. 424.

SEPTEMBER.

Nos. 37-38.

Communicating with instructions resolution of the Government of India directing that the *ordinary* expenses of the Empire shall not exceed the revenue of the year.

Extract from a Resolution passed by the Government of India in the Financial Department, No. 2284, dated Simla, the 11th August 1869.

Para. 3.—The Right Hon'ble the Governor General in Council is determined that, as far as it lies in his power to ensure it, the *ordinary* expenses of the Empire shall not, for the future, exceed by a single rupee the revenue of the year. If, from adverse circumstances, the income declines, the charges of every department must be proportionately reduced. Political and financial considerations of the highest importance are involved in this determination; and His Excellency the Viceroy in Council is fully resolved to adhere to it.

4. The distribution of the budget grants is based on a careful investigation and comparison of national requirements, and the Viceroy in Council is determined that the grants made shall, no matter at what inconvenience, be regarded as final, and shall neither be exceeded nor re-appropriated, except under circumstances of peculiar exigency.

5. His Excellency the Viceroy in Council expects the cordial support of every officer of the Government in carrying out a resolution which is so evidently a matter of political necessity, and which must commend itself to the judgment of every man who has given any thought to the financial position of this great Empire.

6. The subordinate Governments are of course bound, as a primary duty, to use the most honest and rigid economy in the preparation of the estimates of their requirements; but it would be wholly impossible for the Government of India to promise that even after that shall have been done, the entire estimates will be granted without scrutiny or retrenchment.

7. When, as is usually the case, the acceptance of the demands of the several subordinate Administrations would create a large deficit, the Government of India has before it only two alternatives,—to impose additional taxation, or to curtail the estimated expenditure.

8. It is one of the most important duties of the Supreme Government to decide which alternative shall be adopted, and if the latter, where, upon a comparison of the entire demands of the Empire, it is right and expedient to enforce [illegible]

9. The circumstances appear to the Viceroy in Council to exclude the propriety of remonstrance against retrenchment by a subordinate Administration, except upon the most undeniable grounds. * * * *

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11. Having, in the exercise of its high functions, rejected this latter alternative, the Government of India distributed the deficit in the manner it deemed most fair and most expedient among the several subordinate Governments and Administrations. The Punjab was not, in proportion to its revenues, assessed so heavily to meet this deficit as other Provinces.

ORDER.—Ordered, that a copy of the above be published for general information in the *Gazette of India*, and circulated to the several Local Governments and Administrations, and to the Officers of Audit and Account, excepting the Accountant General, Punjab.

G. H. M. BATTEN,

Under Secy. to the Govt. of India.

Financial Department.

PROCEEDINGS of the MADRAS GOVERNMENT.

Read the following ~~letter~~ Extract from the Proceedings of the Govt. of India.

(Rec'd enter 11th Augt. No. R 2284)

Order thereon 17 September 1869. No. 424

Communicated to the Revenue, Military and Public Works Department.

2. The Governor in Council requests that the Acting Accountant General will at once place himself in personal communication with the Members of the Board of Revenue, and will ascertain and report whether,

Govt. of {186 } Madras.

Fiscal

To

The Revenue Deparmt.

Dated 17th Sept. 1869, No. 424

Recd.

Nos. 37. 38.

with instructions.

Commg. Resolution of the Govt. of India directing that the ordinary Expenses of the Empire shall not exceed the revenue of the year.