Proceedings of the Madras Government, Financial Department,
10th August 1872.

No. 77. Read the following letter from the Assistant Secretary to the Government of India, Financial Department, to the Chief Secretary to Government, Fort St. George, dated Simla, 16th July 1872, No. 1208 (Accounts):—

I have the honour to acknowledge the receipt of your letter, No. 585, dated 29th April 1872, requesting a re-consideration of the Order, No. 2343, dated 28th March 1872, in which it was directed that the grant for Provincial Public Works should be fixed in October of each year, so as to admit of the submission of the Provincial Public Works Estimate to the Department of Public Works at the same time as the Imperial Estimates.

2. In reply, I am directed to forward a copy of a memorandum from this Government in the Public Works Department, No. 563 A—G, dated 1st July 1872, and of its enclosure, and to state that, for the reasons given therein, the Governor-General in Council is precluded from withdrawing the order dated 28th March 1872. The date for the submission of the Provincial Public Works Budget Estimate to the Government of India is altered, however, to the 15th February for the future, instead of the 1st February as at present.

Memorandum from Secretary to the Government of India, Public Works Department, to the Secretary to the Government of India, Financial Department, dated Simla, 1st July 1872, No. 563 A—G.

The undersigned is directed to acknowledge receipt of communication from the Financial Department, No. 94, dated 29th May 1872, forwarding a letter from the Secretary to the Government of Madras, requesting a re-consideration of the orders of the Government of India requiring that the grant for Provincial Public Works should be fixed in October of each year.

2. In reply, the undersigned is desired to state that there would appear to be no necessity to cancel the orders referred to. They are in accord with the practice followed by the Government of India. That practice had its origin in a despatch from the Secretary of State, and has for its object the preparation of Budget Estimates and the issue of orders thereon before and not after the year to which the Budget relates has commenced.

3. In requiring that the grant for Provincial Public Works should be fixed in October, it is by no means intended that that grant should be considered final, or that it should not be increased or reduced as the circumstances of the case may require. On the contrary, the orders referred to lay down that the grant can be altered. The advantage gained by fixing the grant early in the year is, that it enables the Public Works Administration to commence upon the compilation of the Budget by the commencement of November, and to take such steps as may be necessary for the preparation of the detailed estimates for the several works which it may be desired to undertake during the ensuing year. To delay fixing the grant until the general Budget Estimate of Provincial receipts and expenditure is made up would necessarily delay the preparation and submission of the Public Works Budget, and would prevent careful consideration being given to the selection of the works for which funds should be provided. On this point attention is invited to paragraphs 4 to 6 of the despatch from the Secretary of State, No. 7, dated 2nd February 1865, copy of which is herewith forwarded.

4. For the reasons given in that despatch, and in the reply thereto by the Government of India, it seems desirable that the order requiring that the grant for Public Works should be fixed early in each year should still hold good. In consideration, however, that the time allowed by the Government of India includes the time for consideration and issue of orders, while in the case of Provincial Budgets the sanction of the Local Government alone is needed, some concession in dates could be allowed. And in this view the undersigned is desired to suggest that the grant for Public Works should be required to be fixed by the end of November, and the transmission of the Provisional Public Works Budget estimate required to be submitted to the Government of India by the 1st March instead of by the 1st February as at present.

Proceedings of the Madras Government, Financial Department,
10th August 1872.

Despatch from Her Majesty's Secretary of State for India, to the Governor General of India in Council, dated 2nd February 1865, No. 7.

I have had before me in Council the Budget Estimates of Public Works Expenditure for the years 1863-64 and 1864-65, forwarded with your Excellency's despatches, Nos. 87 and 88 of 1864.

2. The delay which has been permitted to take place in the preparation of the first of these estimates deprives it of most of its interest. It will, however, be useful for future reference. In the Estimate for 1864-65, also, there is nothing calling for any addition to the observations contained in the resolution passed upon it by your Government.

3. Upon the question, however, of the mode of preparing Budget Estimates in general, some remarks have been made by your Accountant-General in the Public Works Department, Major Chesney, which are, perhaps, deserving of more attention than they have hitherto received.

4. The present practice, it appears, is for the Government of India, at the end of every calendar year, to intimate to the several Provincial Governments what will probably be their respective assignments for Public Works Expenditure during the ensuing official year, and upon the basis thus afforded the Budgets are prepared. But the actual assignments never correspond exactly with the intimations previously given, so that, when they are finally declared, it becomes necessary either to re-cast the Budget Estimates, or to call for supplementary ones, and in either case there is much additional office work, and, what is a still greater inconvenience, a good deal of delay at first, and a good deal of hurry afterwards, in executive operations.

5. To obviate these evils, Major Chesney suggests that assignments for Public Works Expenditure should be regulated as if the demands were of determined amount, rather than something indefinite, varying with the amount of the surplus revenue of the year. He recommends, as an improvement on the existing practice, that the grants to the Public Works Department should be finally notified not later than December, with the understanding that no decrease would be made, except in case of absolute necessity, and that in no case would any increase be allowed. The Provincial Budgets might then be submitted early in February, orders upon them could be issued before the end of March, and the General Public Works Estimate could be laid before the Financial Department in the first week of April.

6. I should be glad if, on examination, it should be found that anything can be done in the direction to which Major Chesney's suggestions point. It would certainly be a great improvement if the present Budget system were so far remodelled as to allow of orders being issued with respect to Public Works Expenditure a few weeks before, instead of some months after, that expenditure has actually commenced.

No. 41 of 23rd June 1864.
,, 91 of 27th September 1864.
,, 92 of ,, ,,

7. I take this opportunity to acknowledge receipt of your Excellency's despatches noted in the margin, forwarding copies of the orders passed on the several Provincial Budgets.

8. The systematic disregard by the Bengal Government of the rule that works should not be undertaken without estimates is, I observe, alluded to in these orders with merited censure. The charge for establishments in several of the Provinces still constitutes a very large proportion of the whole expenditure.

Copy sent to the Public Works Department, the several Local Governments and Administrations, and to the Controller-General, for information.

No. 78. ORDER THEREON, 10th August 1872, No. 1060.

To be recorded.

(True Extract.)

R. S. ELLIS,
Chief Secretary.

Exd. J. H. Burns.

DEPARTMENT. 50

No.

From

Dated 187 .

FOR ORDERS.

Govt. of {1872} Madras.

FINANCIAL.

Dated August, 10*th*.

Read. Encl.

G. O., 10*th August* 1872, *No.* 1060.

AUGUST.
Nos. 77-78.

Recording letter from the Government of India, declining to re-consider the order directing that the grant for Provincial Public Works be fixed in October of each year.

will suffice. The object is to enable the P.W. Administration to commence upon the compilation of the Budget by the commencement of November. But the P.W. administration has nothing to do with the compilation of the budget for communications (except the small sum allotted from provincial funds), which is done in the Board's Office of the Financial Secretary.

There ought not to be the least difficulty ~~thing~~ in giving the D.P.W. the totals of the Local fund allotments for Public Works by the 10th Feb. I could have given them on the 3rd Feb. 72 (for the current year) and if the Local fund budget reached P.W.D. by the middle of Dec. it would be quite possible to send details of the allotments in print, with the P.W.D. Budget on 15th Feb.

The sums to be expended from special funds can of course be communicated to the P.W.D. in the end of Oct. These funds are not now budgetted for on any of them I submit that forms should be prescribed, & the whole thing brought under the Fin. Dept.

Period of determining the Provisions P.W. Grant.

As it appears from the above as now explained that the order can be entirely carried out, I submit that the Petition may be recorded.

H.C.I

Counsel
for N. Arunthwal

GOVERNMENT OF INDIA.

FINANCIAL DEPARTMENT.

ACCOUNTS.

To

THE CHIEF SECY. TO THE GOVT. OF FORT ST. GEORGE.

No. 1208. Dated Simla, July 1872. Received

1872
Financial Department
Home
Ry Government
Financial Depts.
Dated 16.3 July/72
Rec'd 23.3 July/72
No 1208.
No 1420

Rec'd 138 of 1872 & Encls.

Declining to recommend the order directing that the grant for Roads & Public Works be fixed in Oct.r of each year.

For Orders
Hon'ble Mr. Arbuthnot

I conclude we must accede this. It gives us till November

See Enclosure RH

With an order

Recommend 10th August 1872. No 1060.

Received

RHE

31-7

Govt. of {1872} Madras.

Financial

Read Aug. 10
Issued

G. O. 10 Aug. , 1872, No. 1060.

Nos. 77-78.

Forwarding letter from the Govt. of India declining to reconsider the order directing that the grants for Road & Public Works be fixed in October of each year.

M.R.O. 1—77,005—8-6-37.

(1) Number of pages 1-8

(2) Date of repair 24-1-40

(3) Initials of the Referencer

MADRAS RECORD OFFICE.

Government of Madras.

Finance DEPARTMENT.

G.O. No. 1060 Press / Mis.

77-78

Dated 10-8- 1872.

7/8

77-78

Not to be folded or roughly handled