BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

~~G.O.~~	No.	Department.	Date.	G.O.	No.	Department.	Date.
493/99							

Government (1899) of Madras.

FINANCIAL.

Recd.	} 1899.	Enclosures
Regd.		Spare copies

G.O., No. 455, 28th March 1899.

MARCH.

Budget Estimates.

Directing that the Government of India be addressed on the subject of the interference of the Accountant-General with the — prepared by this Government.

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

Read—again the following paper:—

G.O., No. 271, Financial, dated 19th February 1899.

Abstract.—Informing the Accountant-General that his statement that the Government of India has made certain reductions in the budget estimates for 1899–1900 must be incorrect, as that Government has intimated that it has as yet passed no orders upon the estimates.

Order—No. 455, Financial, dated 28th March 1899.

The following letter will be despatched to the Government of India:—

[Here enter letter, No. 456, Financial, dated 28th March 1899.]

(True Extract.)

G. STOKES,
Chief Secretary.

Exd. P. Seetharam.

Government (1899) of Madras.

FINANCIAL.

Recd. } 1899. *Enclosures*
Regd. *Spare copies*

Letter, No. 456, 28th March 1899.

MARCH.

Budget Estimates.

Stating, with remarks, that this Government is constrained to protest against alterations being made in the — prepared by this Government without any reference to the Governor in Council and without affording him any opportunity of justifying them.

388

Please see the Enquiries

Government {1899} of Madras.

FINANCIAL.

Write soon & send Legis. copies today

27/3/99

Recd.	1899.	*Enclosures*	
Regd.		*Spare copies*	

Letter, No. , March 1899.

MARCH.

Budget Estimates.

Stating, with remarks, that this Government is constrained to protest against alterations being made in the — prepared by this Government without any reference to the Governor in Council and without affording him any opportunity of justifying them.

FINANCIAL DEPARTMENT.

LETTER—from

THE CHIEF SECRETARY TO THE GOVERNMENT OF
FORT ST. GEORGE,

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,
FINANCE AND COMMERCE DEPARTMENT.

SIR,

I am directed to acknowledge the receipt of your telegram of the 13th ultimo in reply to mine of the 11th idem regarding the alteration of the budget estimates of this Presidency for 1899–1900.

2. My telegram, in drawing attention to a report received from the Accountant-General that the Government of India had reduced the estimates under 5. SALT, 7. EXCISE, 9. CUSTOMS and 30. STATIONERY AND PRINTING, pointed out that reductions to the extent specified therein are not feasible. It further conveyed a protest from the Governor-in-Council against the interference of the Accountant-General, through the medium of his budget notes, with provisions for administrative changes, of the necessity for which he cannot possibly possess any knowledge, and to the allotments proposed by this Government being reduced by arithmetical processes of calculation.

3. You intimate that there appears to be some misapprehension; that the Government of India has as yet passed no orders upon the estimates; that the Accountant-General has not exceeded his prescribed duty in criticising the figures proposed by the local Government; that the usual procedure laid down in article 153 of the Civil Account Code has been followed; that the budget notes are merely the means of collecting the necessary information to be laid before the Supreme Government for the settlement of the figures to be finally adopted; that they were in Finance and Commerce Department letter No. 982-A of the 23rd February 1895 made available to the Government of Madras at its express desire and contrary to the wishes of the Government of India; and that they afford a convenient means, in the pressure of budget work, of communicating to the Accountant-General the points on which he has to take the orders of the local Government. You add that it will be a great convenience if the Madras Government follows the usual procedure in considering the points raised in connection with the estimates and if it passes orders on them at the instance of the Accountant-General without a formal letter from the Government of India.

4. As regards the misapprehension under which you presume this Government has been labouring, I am to observe that the Accountant-General. in his letter No. 496 of the 7th February 1899, stated "under instructions from the Financial Secretary to the Government of India * * * * for the information of Government that the Government of India had made the" reductions in the estimates for 1899–1900 which were specified in my telegram of the 11th instant. As these reductions correspond almost exactly with portions of the amendments of the estimates which the Accountant-General considered six days earlier to be practicable, the inference drawn by this Government that the reductions in question were based on the Accountant-General's budget notes was, I am to submit, inevitable.

5. Touching your reference to the budget notes and the correspondence ending with Finance and Commerce Department letter No. 982-A, dated the 23rd February 1895, I am to draw attention to the fact that that letter distinctly stated that *it was not possible to place the budget notes at the disposal of a local Government even unofficially;* although there was no objection to the Accountant-General making the fullest use of them for the purposes of any information required of him by the Local Government.

6. I am to point out that the function of the local Government—a function recognised by article 153 of the Civil Account Code—is to prepare the budget estimates and fix the proposed grants in accordance with its knowledge of facts. The decisions as to the grants required for the various departments in this Presidency are arrived at after very careful examination, and not a single figure enters into this portion of the estimates without prior scrutiny by Government. Several months are annually devoted to this work which is carried out in the greatest detail, as a reference to the voluminous budget orders passed by this Government will show. Of recent years, however, it has become the custom for the Accountant-General, after consolidating the estimates, to profess to be in a position to arrive by arithmetical processes at results far more accurate than those of the local Government and to propose *lump* deductions with reference to past actuals merely, and, in the majority of cases, without any indication of the detailed heads to be altered.

7. This Government does not for a moment contend that the criticisms of the Accountant-General are not very often valuable: on the contrary, the Governor-in-Council is always ready to receive these criticisms and to act upon them when there appears to be good reason for doing so. But what the Governor-in-Council feels constrained to protest against is, that estimates which have been prepared after considerable labour should be altered without reference to him and without affording him any opportunity of justifying them; that the Supreme Government should direct the Accountant-General, through the budget notes, which are kept secret from the local Government, to alter the grants; and that these alterations should be ~~eventually~~ carried out. The present system defeats the provisions of articles 153 and 1512 of the Civil Account Code which lay down definitely the position of the local Government in the matter.

8. It appears to this Government that since it is responsible for the budget estimates and the financial administration of the Presidency, the amounts entered in its estimates should not be altered on the recommendation of an Accountant-General based on observations which the Governor-in-Council has no opportunity of considering. If the Government of India communicated the budget notes to the local Government direct, every effort would be made, in consultation with the Accountant-General, to meet the views of the Supreme Government.

9. I am to state that ~~His Excellency~~ the Governor-in-Council considers that the difficulties of the present situation would be considerably modified if this Government were supplied with a copy of the budget notes demi-officially and confidentially (as the Government of India from their telegram of the 13th ultimo mistakenly appear to suppose is now the case) at the same time as they are sent to the Accountant-General, and were made acquainted with that officer's criticisms before or at the time he communicates them to the Government of India. If this Government is thus put in possession of the Accountant-General's criticisms, it will be possible for it after consulting the Administrative Department concerned to say within a day or two or in some cases perhaps at once whether and how far his criticisms can be accepted, and thus time will be saved and misapprehension avoided. If this arrangement is accepted ~~His Excellency~~ the Governor-in-Council will not desire to press the Government of India for their instructions direct on all the proposed alterations of the budget.

I have the honour to be,
Sir,
Your most obedient servant,

FORT ST. GEORGE,
2 th *March* 1899.

Chief Secretary.

Exd. A. F. Eccleston.

{ $\frac{G.}{1}$ }

70,000 : 25-9-07.

DEPARTMENT.

CURRENT FILE.

CONTENTS.

From	Number.	Date.	Pages.

[P. T. O. FOR PUT UP PAPERS.]

PAPERS PUT UP WITH CURRENT No.

Papers of the department to which the current belongs.

Number.	Date.	Original (=O.) or spare copy (=S. O.).	Remarks. (In this column such of the papers as have been removed for copying, printing, etc., should be marked with a cross.)	Initials of Referencer with date in token of return to Reference department.

Papers of other departments.

Department.	Number.	Date.	Original (=O.) or spare copy (=S. C.).	Initials with date of (1) Referencer of the Chief Secretariat department acknowledging return of the paper concerned or (2) Despatcher to denote the return of the papers to departments outside the Chief Secretariat.

Financial (1899) Department.

CURRENT No. 788

23 FEB 1899

From The Accountant General Madras

Order

No. 715

Dated 22nd February 1899
Received } 23. 2. 99
Registered
Enclosures
Spare copies

SUBJECT.

Acknowledging receipt of G.O. No. 271 d 19-2-99 regarding certain reductions made in the estimates for 1899-1900 and Soliciting a reference to the telegram from the Govt. of India Finance & Commerce Tel. d 13-2-99 referred to in the order.

BACK PAPERS.

G.O.	No.	Department.	Date.
271	Finl	d/19-2-	99 r.c.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

CURRENT No. 788

2

Fort St. George,
Accountant-General's Office,
22nd February 1899.

Budget Department.

No. 715

From

T. HESKETH BIGGS ESQ,
ACCOUNTANT-GENERAL to the
GOVERNMENT OF MADRAS,

To

The Chief Secretary to Government,
Financial Department.

Sir,

Q

I have the honour to acknowledge receipt of G.O. No.271, dated 19th Instant, regarding certain reductions made in the estimates for 1899-1900, and in reply to solicit a reference to the telegram from the Government of India, Finance and Commerce Department, dated 13th Instant referred to in the order. It is therein stated that the Budget notes are merely the means of collecting the necessary information to lay before the supreme Government for Settlement of the figures to be finally taken. It was in these notes that the orders regarding the reductions of the amounts under the Heads referred to in my letter No.496, dated 7th Instant were given. They are not final orders passed on the estimates. The figures are still under consideration and the reductions made were communicated to the Local Government, so that they might offer any remarks if they wished to do so regarding them which it would be my duty to hand on to the Government of India in the next edition of the Budget notes.

275/6 D
20.2.[illegible]
not put up

3/

2. I thought the procedure, which in other Provinces is usual, would have been understood, or I would have expressed the matter more fully in my letter before referred to.

I have the honour to be,
Sir,
Your most obedient servant,

Accountant-General.

NOTES.

4/

Financial Dept

~~[C.M. 788] from the Acct. Genl. No. 710 of 23-2-1899.~~

For the C.S.

Attention is invited to the notes in G.O. M 271 Fin. of the 19th February 1899. Draft letter to India submitted for approval.

(Intd) C.M. Schmidt
19.2.1899

Issue.

2. Circulate to the Hon'ble Member after despatch.

3. Send me a copy for H.E. the Governor's information as soon as possible.

(Intd) G. Stokes.
19.2.1899.

272 of 19-2-99

Financial Dept

For the C.S.

Attention is invited to the Notes in G.O. No 271 Fin'l & the 19th February 1899. Draft letter to India submitted for approval.

(Intd) C.M. Schmidt
19.2.1899

Issue.

2. Circulate to the Hon'ble Member after despatch.

3. Send me a copy for H.E. the Governor's information as soon as possible.

(Intd) G. Stokes
19.2.1899

C22-2-99
R23-2-99

No. ~~272~~ of ~~19-2-99~~

Letter to the Secretary to the G of I.
Fin: Commerce Dept

5

Copy of letter for signature & despatch & spare copy for H.E. the Governor taken to the Budget Clerk who accompanied the Chief Secy to Calcutta on the 19th instant.

Cwl

Cir to H.M. after despatch.
19.2.99

C
III

Issue.
19.2.99

Send me a copy for H.E.'s information as soon as possible.
19.2.99

I cannot approve of this letter. I think it ~~too~~ peremptory, if not discourteous, in tone. Will the Rev. Secy. please telegraph to Mr Stokes in Calcutta to hold the letter back on this ground.

AH 23.2.99.

There appears to be some misapprehension; that

If the letter is withheld I should like a clean copy. The passage at A is not intelligible to me. AH.

(Para 3 infra

Sir,

I am directed to acknowledge the receipt of [redacted] your telegram of the 15th instant in reply to mine of the 11th idem regarding the alteration of the budget estimates of this Presidency for 1899-1900.

2. My telegram, in drawing attention to a report received from the Accountant-General that the Govt. of India had reduced the estimates under 5 SALT, 7 EXCISE, 9 CUSTOMS and 30 STATIONERY AND PRINTING, [redacted] ~~0 lakh, 10 lakh and 08 lakh, respec-~~ [redacted] pointed out that reductions to this extent specified therein are not feasible. It further conveyed a protest from the Governor in Council against the interference of the Accountant-General, through the medium of his budget notes, with provisions for administrative charges, of the necessity for which he cannot possibly possess any knowledge, and to the ~~provisions~~ allotments proposed by this Government being reduced by arithmetical processes of calculation.

3. You intimate that A the Govt. of India has as yet passed no orders upon the estimates; that the Accountant-General has not [~~gone beyond~~ exceeded] his prescribed duty in criticizing the figures

proposed

proposed by the local Govt.; that the usual procedure laid down in article 155 of the Civil Account Code has been followed; that the budget notes are merely the means of collecting the necessary information to be laid before the Supreme Govt. for the settlement of the figures to be finally adopted; that They were in ~~your~~ Fin: & Commerce Dept letter No.982 A of the 23rd February 1895 made available to the Govt. of Madras at its express desire and contrary to the wishes of the Govt. of India; and that they afford a convenient means, in the pressure of budget work, of communicating to the Accountant-General the points on which he has to take the orders of the local Govt. You add that it will be a great convenience if the Madras Govt. follows the usual procedure in considering the points raised in connection with the estimates and if it passes orders on them at the instance of the Accountant-General without a formal letter from the Government of India.

G.O. 215 Fin
7-3-95 C

4. As regards the misapprehension under which you presume this Govt. has been labouring, I am to observe that the Accountant-General, in his letter No.496 of the 7th February 1899, stated "under instructions from the Financial "Secretary to the Govt. of India x x "for the information of Govt. that "the Govt. of India had made the " reductions,

Pages 5-6 of
G.O. 271 Fin
Dt 29.2.99 Q

7 38

reductions in the estimates for 1899-1900 which were [specified in my telegram of the 11th instant. As these reductions correspond~~ed~~ almost exactly with portions of the amendments of the estimates which the Accountant General ~~[illegible]~~ considered six ~~[illegible]~~ days earlier ~~as~~ to be ~~[illegible]~~ practicable, ~~[illegible]~~ ~~[illegible]~~ the inferenece drawn by this Government that the reductions in question ~~to which objections [illegible]~~ were based on the Accountant-General's budget notes was, I am to submit ~~[illegible]~~, inevitable ~~justifiable~~ ~~only natural~~.

Letter No.410,d/ 1-2-99.

~~Ab~~ on pages 1-3 of Fo. 271 Fil 8 19.2.99 Q

5. Touching your reference to the budget notes and the correspondence ending with Finance and Commerce Dept letter No. 982 A,dated the 23rd Feb. 1895, I am to draw attention to the fact that that letter distinctly stated that it was not possible to place the budget notes at the disposal of a Local Government even unofficially; although there was no objection to the Accountant-General making the fullest use of the m~~[illegible]~~ ~~[illegible]~~ for the purposes of any information required of him by the Local Govt.

Fo 215 Fil C
7.3.95

6. I am to point out that the function of the local Govt. - a function recognized by article 155 of the C.A.Code - is to prepare the budget estimates and fix the proposed grants in accordance with its knowledge of facts. The~~[illegible]~~ decisions as to the

[G.
12.

1,000—29

8

the grants required for the ~~various~~ departments in this Presidency are arrived at after very careful examination, and not a single figure enters into this portion of the estimates without prior scrutiny by Govt. Several months are annually devoted to this work which is carried out in the greatest detail, as a reference to the voluminous budget orders passed by this Govt. will ~~observe~~ show. Of recent years, however, it has become the custom for the Accountant-General, after consolidating the estimates, to profess to be in a position ~~able~~ by arithmetical processes to arrive at results far more accurate than those of the local Government and to propose lump deductions, [redacted] the criticisms of the Accountant-General are not very often valuable; ~~is an undoubted~~ on the contrary, [redacted] the Governor in Council is always ready to receive these criticisms & to act upon [redacted] them when there appears to be good reason for doing so. But what the Governor in Council feels constrained to protest against is that [redacted] the Supreme Govt. should direct the Accountant-General, through the budget notes, which are kept secret from the local Govt, [redacted] to alter the grants, and that these alterations should be eventually carried out.

The present system [redacted] defeats the provisions of articles 155 and 1512 of the C.A.Code, which lay down . definitely

with reference to past actuals merely, and, in the majority of cases, without any indication of the detailed heads to be altered

7. This Govt. does not for a moment contend that

Estimates which have been prepared after considerable labour should be altered without reference to him and without affording him any opportunity of [illegible] them; that

Qy Omit? India says it has not done any thing contd

In other words, the Governor-in-Council objects to the position of the local ~~Gt~~ services being sacrificed to the mere convenience either of the Supreme Govt ~~&~~ or of the Acct Genl, and to the local Govt being placed in a ~~position~~ subordinate position to an account officer

A

Sf (Turn paid)

definitely the position of the local Govt. in the matter. [redacted]

8. It appears to this Govt. to be [redacted] only equitable that since it is responsible for the budget estimates and the financial administration of the Presidency, the amounts entered in [redacted] its estimates should not be altered on the mere recommendation of an outside officer and on observations [redacted] which the Governor in Council has no opportunity of considering ~~meeting or refuting~~. If the Govt. of India communicated the [redacted] budget notes to the local Govt. [redacted] direct, every effort would be made, in consultation with the Accountant-General, to meet the views of the Supreme Govt. [redacted].

B

9. I am to state that the Governor-in-Council is willing that the present system—which has, however, several objectionable features—should be continued, provided that ~~he~~ this Govt is supplied with a copy of the budget notes and that the Accountant-General communicates immediately to it [redacted] all observations he may forward to the Govt. of India as regards the estimates and as regards the orders passed by the local Govt. ~~on reductions~~ with reference to all [redacted] alterations, whether these are [redacted] initiated by him or by the [redacted] Supreme Government. If the Govr. General ~~of India~~ in Council cannot see his way to making this modification in the present practice, the Governor in Council must respectfully urge that he is entitled ~~submitted~~ in this [redacted], as in other matters, to the due courtesy of a communication from the Govt. of India itself on all proposed alterations in the estimates

C

D ?

~~6~~ 10

68

A separate

10. ~~My~~ letter ~~No. ... of ...~~ communicating the remarks of this Govt on the Accountant-General's proposals in regard to the estimates of 1899-1900.

Cecil
~~19/2/98~~
19.2 99

ff
19.2

P.T.O.

[G./12.

1,000—29

11

Copy of H.E.'s marginal note on page 5 supra

I cannot approve of this letter. I think it too peremptory, if not discourteous in tone. Will the Revenue Secretary please telegraph to Mr Stokes in Calcutta to hold the letter back on this ground.

(Intd) A. T. A[rundel]
23.2.1899.

~~Issue the following telegram~~

~~(Intd) G. S. Forbes. 23.2.99~~

I cannot approve of
this letter. I think it too
peremptory, if not discourteous
in tone. Will the Revenue
Secretary please telegraph
to Mr. [illegible] in Calcutta
to hold the letter back
on this ground.

(Intd.) A. T. Arundell
22.2.99

Issue the following
telegram.

[illegible]

[G. / 12.]
1,000—29-9-98.

DEPARTMENT

From

12-15

SUBJECT :—

12

ACCOUNTANT-GENERAL'S OFFICE,
FORT ST. GEORGE,

the 22nd of Feb 1899

22/2/99
AA

My dear Arundell

With reference to our conversation this morning regarding the Budget I would suggest that when the Accountant General receives the Budget orders from the Govt. of India he should discuss any changes in the figures with

I cannot approve of
this letter. I think it too
peremptory, if not discourteous
in tone. Will the Persian
Secretary please telegraph
to Mr. Roos in Calcutta
to take the letter back
on this ground.

(Sd.) A.T. Arundel

Issue the following
telegram

[illegible]

[G. / 12.]
1,000—29-9-08.

.... DEPARTMENT

From ....

SUBJECT :—

12-15

13

the Chief Secretary personally.
The Local Govt. would then
know exactly what was going
on & it would be an advantage
to the A.G. also to be more
fully informed of the views
of the Local Govt. than he could
be by ordinary official
correspondence.

14

Yours sincerely

The Hon'ble A.T. Arundell

I cannot approve of this letter. I think it too peremptory, if not discourteous in tone. Will the Revenue Secretary please telegraph to Mr. [illegible] in Calcutta to take the letter back on this ground

(Intd) A.T. Arundel

22.2.99

Issue the following telegram

(Intd) [illegible] 23.2.99

To C.S. Paras 5-9 infra 15

With ref. to my notes on draft letter 272 of 19.2.99 to India.

We cannot expect India to forego ~~[illegible]~~ confidl. communns with its own A.G.

The object aimed at is to get the most accurate figures possible, and I think personal communn between the A.G. & the C.S. will probably accomplish this. I should like to see the suggestion made in the letter to India.

A.A. 23.2.99

[G./12.]
1,000—29-9-08.

DEPARTMENT

From

SUBJECT :—

12-15

Vt H.M's note Page 5 Supra

16

Urgent

From Revenue

to G. Stokes Esq

Chief Secy

Madras Fort

Despd 23.2.09

95x

Hon. Member desires that letter no. 272 d 19/2/9 to be withheld he cannot approve it as being too peremptory & discourteous in tone

23/2/9

Issued on 23.2.09

17 Copy

21452

INDIAN TELEGRAPHS

Monthly Number.

Code Class. X S

To (Office) Calcutta | From (Office) Madras.

Words.	Day.	Hour.	Minute.	Official Instructions.
51/5.	23	18.	20	X.

To (Person) The Honourable
Mr G. Stokes
chief Secretary
to the Govt. of Madras.
C/o The Private Secretary
To His Excellency the Viceroy

From (Person) Revenue

95 honourable member desires financial letter number 272 dated nineteenth instant to be withheld he cannot approve it as being too peremptory and discourteous in tone.

CALCUTTA 23-2-99

64 Word Form.

F. C. 2.

Recd. from | LN. | At | Hrs. | Mts. by

Sent to | LN. | At | Hrs. | Mts. by

Telegraph Master.

G P—No. 258 T.—31 8 98—40,00000

Finance and Commerce Department,
Calcutta, the 24 Feby 1899.

My dear Stokes,

This is the letter the return of which you have asked for & which we shall withdraw from our receipt register.

Yours sincerely

W. S. Meyer

Pages 19–23 infra

Finance and Commerce Department,
Calcutta, the 24 Feb? 1899.

My dear Stokes,

This is the letter the return of which you have asked for & which we shall withdraw from our receipt register

Yours sincerely

W S Meyer

Pages 19–23 infra

19

[G. / 46-A.]
250-15-11-97.

Fort St. George,

19th February 1899

Fair copy of Draft letter on paras 5 to 10 supra

From

The Honourable Mr.G.Stokes,I.C.S.,

Chief Secretary to the Government of Madras,

To

The Secretary to the Government of India.
Finance and Commerce Department.

Financial Department.

No. 272

Sir,

I am directed to acknowledge the receipt of your telegram of the 15th instant in reply to mine of the 11th idem regarding the alteration of the budget estimates of this Presidency for 1899-1900.

2. My telegram, in drawing attention to a report received from the Accountant-General that the Government of India had reduced the estimates under 5 SALT, 7 EXCISE, 9 CUSTOM and 30 STATIONERY AND PRINTING, pointed out that reductions to the extent specified therein are not feasible. It further conveyed a protest from the Governor-in-Council against the interference of the Accountant-General, through the medium of his budget notes, with provisions for administrative changes, of the necessity for which he cannot possibly possess any knowledge, and to the allotments proposed by this Government being reduced by arithmetical processes of calculation.

3. You intimate that there appears to be some mis-apprehension; that the Government of India has as yet passed no orders upon the estimates; that the Accountant-General has not exceeded his prescribed duty in criticizing the figures

proposed

(1753)

proposed by the local Government; that the usual procedure laid down in article 155 of the Civil Account Code has been followed; that the budget notes are merely the means of collecting the necessary information to be laid before the Supreme Government for the settlement of the figures to be finally adopted; that they were in Finance and Commerce Department letter No.982 A of the 23rd February 1895 made available to the Government of Madras at its express desire and contrary to the wishes of the Government of India; and that they afford a convenient means, in the pressure of budget work, of communicating to the Accountant-General the points on which he has to take the orders of the local Government. You add that it will be a great convenience if the Madras Government follows the usual procedure in considering the points raised in connection with the estimates, and if it passes orders on them at the instance of the Accountant-General without a formal letter from the Government of India.

4. As regards the misapprehension under which you presume this Government has been labouring, I am to observe that the Accountant-General, in his letter No.496 of the 7th February 1899, stated "under instructions from the Financial Secretary "to the Government of India x x for the information of "Government that the Government of India had made the " reductions in the estimates for 1899-1900 which were specified in my telegram of the 11th instant. As these reductions correspond almost exactly with portions of the amendments of the estimates which the Accountant-General considered six days earlier to be practicable, the inference drawn by this Government that the reductions in question were based on the Accountant-General's budget notes was, I am to submit, inevitable.

5. Touching your reference to the budget notes and the correspondence ending with Finance and Commerce Department letter No.982 A, dated the 23rd February 1895, I am to draw attention to the fact that that letter distinctly stated that it was not possible to place the budget notes at the disposal of a Local Government even unofficially ; although there was no objection to the

Accountant-General

Accountant-General making the fullest use of them for the purposes of any information required of him by the Local Government.

6. I am to point out that the function of the local Government - a function recognized by article 155 of the Civil Account Code - is to prepare the budget estimates and fix the proposed grants in accordance with its knowledge of facts. The decisions as to the grants required for the various departments in this Presidency are arrived at after very careful examination, and not a single figure enters into this portion of the estimates without prior scrutiny by Government. Several months are annually devoted to this work which is carried out in the greatest detail, as a reference to the voluminous budget orders passed by this Government will show. Of recent years, however, it has become the custom for the Accountant-General, after consolidating the estimates, to profess to be in a position to arrive by arithmetical processes at results far more accurate than those of the local Government and to propose lump deductions with reference to past actuals merely, and, in the majority of cases, without any indication of the detailed heads to be altered.

7. This Government does not for a moment contend that the criticisms of the Accountant-General are not very often valuable: on the contrary, the Governor in Council is always ready to receive these criticisms and to act upon them when there appears to be good reason for doing so. But what the Governor in Council feels constrained to protest against is that estimates which have been prepared after considerable labour should be altered without reference to him and without affording him any opportunity of justifying them; that the Supreme Government should direct the Accountant-General, through the budget notes, which are kept secret from the local

Government

Government, to alter the grants; and that these alterations should be eventually carried out. In other words, the Governor in Council objects to the position of the local services being sacrificed to the mere convenience either of the Supreme Government or of the Accountant-General, and to the local Government being placed in a subordinate position to an account officer. The present system defeats the provisions of articles 155 and 1513 of the Civil Account Code, which lay down definitely the position of the local Government in the matter.

8. It appears to this Government to be only equitable that since it is responsible for the budget estimates and the financial administration of the Presidency, the amounts entered in its estimates should not be altered on the mere recommendation of an outside officer and on observations which the Governor in Council has no opportunity of considering. If the Government of India communicated the budget notes to the local Government direct, every effort would be made, in consultation with the Accountant-General, to meet the views of the Supreme Government.

9. I am to state that the Governor-in-Council is willing that the present system -which has, however, several objectionable features -should be continued, provided that this Government is supplied with a copy of the budget notes and that the Accountant-General communicates immediately to it all observations he may forward to the Government of India as regards the estimates and as regards the orders passed by the local Government with reference to all alterations, whether these are initiated by him or by the Supreme Government. If the Governor General in Council cannot see his way to making this modification in the present practice, the Governor-in-Council must respectfully urge that he is entitled in this, as in other matters, to the due courtesy of a communication from the Government of India itself on all proposed alterations in the estimates.

10. A separate letter communicates the remarks of this Government

on

on the Accountant-General's proposals in regard to the estimates of 1899-1900.

I have the honour to be,
Sir,
Your most obedient servant,

G. Stokes

CHIEF SECRETARY.

24

Government House
Calcutta

Mr. De Cruz.

Please take these papers back with you to Madras.

25/2

Paras 19-23
supra

C 4.3.99
R 6.3.99.

25

Financial Dept

C No. 758 of file

For the Secy

With reference to the

Pages 5 Supra — Hon'ble Members note of the 23rd ultimo, the Chief Secretary has sent back from Calcutta by the Budget Clerk (who returned yesterday) the letter originally numbered

Pages 19–23 Supra — ~~No~~ 272 Finl of 19.2.99 regarding the Accountant General's inter:-ference with the estimates—

Pages 19–23 Supra — please see the signed copy flagged P.

A clean copy of the draft

Pages 27–32 infra — is subd. as directed by the Hon'ble Member.

The notes upon which this draft was based are flagged

Pages 24–28 of G.O. 271 Finl of 19.2.99 Q — Q in the original of G.O. No. 271 Finl: of 19.2.99.

Pages 2–3 Supra I — C. No. 758 is a reply from the Acct Genl to G.O.

Q — No. 271 Finl: of 19.2.99

Cwd. 3.3.99

HM

SP 3/3/9

C 9.3.99
R 13.3.99

Recd 14.3.99
R 14-3-99

C 15-3-99
R 20.3.99

26

5

(6)

Financial Department

Interference of the Acctt.-Genl. with the Budget Estimates.

Pages 27-32 infra (revised draft)

Submitted again to ~~H.E. the Governor~~ ~~with reference to~~ the Hon'ble Mr. Arundel with reference to his revision of the letter below. What Sir James Westland told me in Calcutta would be done was as follows. The Budget Notes ~~will~~ would be sent demi-officially to the Chief Secretary at the same time as to the A.G; as the A.G. was responsible for the Revised Estimates, but the Local Govt. for the Budget ~~and that~~ no alterations in the latter ~~should~~ would be made without the knowledge of the local Govt. Oral communications between the A.G. and the C.S. may help to a better understanding, but they cannot be allowed to take the place of the above principles. I brought the Budget Notes with me from Calcutta which we have already found of the greatest assistance. I do not think Govt. should give away the position it holds on this matter which is often very important.

8/3/9.

Offset. Should we [illegible] Hon. Mr. Arundel. A.G. Mr. [illegible]

Send out the letter as soon as possible. It has been long delayed.

12/3/99.

Will the C.S. please ~~and~~ say what change he w? make in the alterations I proposed to the letter. It was the tone rather than the matter I objected to. I have no objection to omit the ref. to oral communication &c.

A.A. 10.3.99

Resubmitted to the H. M. (Pages 33-34 infra)

Appended is a para which will I hope meet with the H. M.'s approval. It states fully what we want:

13/3/99.

agreed. A.A. 14.3.99

Press / Please send a proof. 20/3/99

This is a revised copy of letter originally numbered 272 dt 19.2.99 the type of which is standing.

See within 5.3.99

Q on G.O. No 271 Fin. D 19-2-99

Q ... ultimo

Q on G.O. No 271 Fin D 19-2-99

Q C No 515 Do

~~I cannot find the notes on wh. the telegram & letter is based. The telegram ... wrote out of a letter on p. 66. of the file of No 275-6 of 20-2-99.~~

I cannot find Mr. H. Biggs's D.O. letter to me, on wh. I said that ~~but~~ personal communication with the C.S. much of the present difficulty could be obviated. found. -

M.A.

28

Financial Department.

Read again G.O. No 271 dt 19.2.99 (b)

Order (D) No 455 d/28-3-99 ~~No 273, d/19-2-99~~

R.S. The following letter will be desp: to the G of I.

LETTER:- No 456 d/28-3-99

To

The Secy. to the Govt. of India

Finance & Commerce Dept.

Sir,

I am directed to acknowledge the receipt of your telegram of the 13th to be [illegible] reply to mine of the 11th instant in [illegible]tlement [illegible]eration of the idem regarding the al[illegible] that they were for budget estimates of this Presidency 1899-1900.

2. My telegram, in drawing attention to a report received from the Accountant-General that the Govt. of India had reduced the estimates under 5 SALT, 7 EXCISE, 9 CUSTOMS and 30 STATIONERY AND PRINTING, pointed out that reductions to the extent specified therein are not feasible. It further conveyed a protest from the Governor-in-Council against the interference of the Accountant-General, through the medium of his budget notes, with provisions for administrative changes, of the necessity for which he cannot possibly possess any knowledge, and to the allotments proposed by this Government being reduced by arithmetical processes of calculation.

3.

Q in G o No 271/19.2.99 Finl

In G O No 215/7.3.95 Finl C

3. You intimate that there appears to be some misapprehension; that the Government of India has as yet passed no orders upon the estimates; that the Accountant-General has not exceeded his prescribed duty in criticizing the figures proposed by the local Government; that the usual procedure laid down in article 155 of the Civil Account Code has been followed; that the budget notes are merely the means of collecting the necessary information to be laid before the Supreme Government for the settlement of the figures to be finally adopted; that they were in Finance and Commerce Department letter No.982 A of the 23rd February 1895 made available to the Government of Madras at its express desire and contrary to the wishes of the Government of India; and that they afford a convenient means, in the pressure of budget work, of communicating to the Accountant-General the points on which he has to take the orders of the local Government. You add that it will be a great convenience if the Madras Government follows the usual procedure in considering the points raised in connection with the estimates and if it passes orders on them at the instance of the Accountant-General without a formal letter from the Government of India.

4.

~~29~~ 30

~~C No 515 XXV~~ in Go No 271/19-2-95 Finl Q

4. As regards the misapprehension under which you presume this Government has been labouring, I am to observe that the Accountant-General, in his letter No.496 of the 7th February 1899 stated "under instructions from the Financial "Secretary to the Government of India "X X for the information of Government "that the Government of India had made "the " reductions in the estimates for 1899-1900 which were specified in my telegram of the 11th instant. As these reductions correspond almost exactly with portions of the amendments of the estimates which the Accountant-General considered six days earlier to be practicable, the inference drawn by this Government that the reductions in question were based on the Accountant-General's budget notes was, I am to submit, inevitable.

~~II~~ in Go No 271/15-2-95 Finl Q

Letter No.410, d/1-2-99. (Paras 5, 7 and 8.) in Go No 275/20-2-99 Finl Q

Go No 215/7-3-95 Finl C

5. Touching your reference to the budget notes and the correspondence ending with Finance and Commerce Department letter No.982 A, dated the 23rd February 1895, I am to draw attention to the fact that that letter distinctly stated that it was not possible to place the budget notes at the disposal of a Local Government even unofficially; although there was no objection to the Accountant-General making the fullest use of them for the purposes of any information required of him by the Local Government.

6. I am to point out that the function of the local Government - a function recognized by article 153 of the Civil Account Code - is to prepare the budget estimates and fix the proposed grants in accordance with its knowledge of facts. The decisions as to the grants required for the various departments in this Presidency are arrived at after very careful examination, and not a single figure enters into this portion of the estimates without prior scrutiny by Government. Several months are annually devoted to this work which is carried out in the greatest detail, as a reference to the voluminous budget orders passed by thi Government will show. Of recent years, however, it has become the custom for the Accountant-General, after consolidating the estimates, to profess to be in a position to arrive by arithmetical processes at results far more accurate than those of the local Government and to propose lump deductions with reference to past actuals merely, and, in the majority of cases, without any indication of the detailed heads to be altered.

7. This Government does not for a moment contend that the criticisms of the Accountant-General are not very often valuable: on the contrary, the Governor-in-Council is always ready to receive these criticisms and to act upon them when there appears to be

good

good reason for doing so. But what the Governor-in-Council feels constrained to protest against is, that estimates which have been prepared after considerable labour should be altered without reference to him and without affording him any opportunity of justifying them; that the Supreme Government should direct the Accountant-General, through the budget notes, which are kept secret from the local Government, to alter the grants; and that these alterations should be eventually carried out. [In other words, the Governor-in-Council objects to the position of the local services being sacrificed to the mere convenience of either the Supreme Government or of the Accountant-General, and to the local Government being placed in a subordinate position to an account officer.] The present system defeats the provisions of articles 153 and 1512 of the Civil Account Code which lay down definitely the position of the local Government in the matter.

I do not understand what this reference to "local services" means, and think the sentence much too harsh. The sentence in brackets had better I think be omitted. A.A.

8. It appears to this Government [to be only equitable] that since it is responsible for the budget estimates and the financial administration of the Presidency, the amounts entered in its estimates should not be altered on the [mere] recommendation of [an outside officer] [and] on observations which the Governor in Council has no opportunity of

I would omit A.A.

I would ~~substitute~~ "Accountant General" omit A.A.

He is ~~[illegible]~~ an "outside officer" in one sense, but though I so referred to him in my note at I.-I do not think the term appropriate for his description in a letter to India! A.A.

for "and" read "based" A.A.

32

6

6 P

Press. Please use revised form attached marked A.

I think para 9 should be toned down somewhat as follows:

9. I am to state that H.E. the G. in C. considers that the drawbacks of the present system w^d be considerably modified if this Gov^t. were supplied with a copy of the Budget notes of the A.G. (as the G. of I. from their telegram of the ? appear to suppose is now the case,) and were made acquainted with that officer's criticisms on the budget figures, orally if convenient as well as in writing, before he communicates them to the Gov^t. of I. If this Gov^t. is thus put in full possession of the A.G.'s criticisms the budget figures will be benefitted, & H.E. the G. in C. will not desire to press the G. of I. for their instructions direct on all proposed alterations of the Budget.

A.A.

5.3.99.

Reco 276 [illegible]
20.2.99

of considering. If the Government of India communicated the budget notes to the local Government direct, every effort would be made, in consultation with the Accountant-General, to meet the views of the Supreme Government.

9. I am to state that the Governor-in-Council is willing that the present system - which has, however, several objectionable features- should be continued, provided that this Government is supplied with a copy of the budget notes and that the Accountant-General communicates immediately to it all observations he may forward to the Government of India as regards the estimates and as regards the orders passed by the local Government with reference to all alterations, whether these are initiated by him or by the Supreme Government. If the Governor-General-in-Council cannot see his way to making this modification in the present practice, the Governor-in-Council must respectfully urge that he is entitled in this, as in other matters, to the due courtesy of a communication from the Government of India itself on all proposed alterations in the estimates.

10. A separate letter communicates the remarks of this Government on the Accountant-General's proposals in regard to the estimates of 1899-1900.

33/~~4~~

78

I accept the C.S.'s emendation.
A.E.M. 3.5.99

2.5.4
17.3.99

With reference to para 9. I wd. substitute the following.

9. I am to state that H.E. the C in C considers that the difficulties of the present situation w.d be considerably modified if this Govt. were supplied with a copy of the Budget notes drawn officially & confidentially at the same time as they are sent to the A.G. (as the G of I seem from their telegram of the 13 ultimo mistakenly appear to suppose is now the case) and were made acquainted with that officer's criticisms before or at the time he communicates them to the Govt. of India. If this Govt. is thus put in possession of the A.G.'s criticisms it will be possible for it ~~[illegible]~~ after consulting the Administrative Dept. concerned ordnance to say within a day or two or in some cases perhaps at once whether ~~his~~ and how far his criticisms can be accepted and thus time ~~[illegible]~~ will be saved and misapprehension avoided. If this arrangement is accepted H.E. the C in C will not desire to

press the Govt of India for their instructions direct on all the proposed alterations of the Budget.

3968

22/3

Copied

FINANCIAL DEPARTMENT.

Letter—from

THE CHIEF SECRETARY TO THE GOVERNMENT OF
FORT ST. GEORGE,

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,
FINANCE AND COMMERCE DEPARTMENT.

SIR,

I am directed to acknowledge the receipt of your telegram of the 13th ultimo in reply to mine of the 11th idem regarding the alteration of the budget estimates of this Presidency for 1899–1900.

2. My telegram, in drawing attention to a report received from the Accountant-General that the Government of India had reduced the estimates under 5. SALT, 7. EXCISE, 9. CUSTOMS and 30. STATIONERY AND PRINTING, pointed out that reductions to the extent specified therein are not feasible. It further conveyed a protest from the Governor-in-Council against the interference of the Accountant-General, through the medium of his budget notes, with provisions for administrative changes, of the necessity for which he cannot possibly possess any knowledge, and to the allotments proposed by this Government being reduced by arithmetical processes of calculation.

3. You intimate that there appears to be some misapprehension; that the Government of India has as yet passed no orders upon the estimates; that the Accountant-General has not exceeded his prescribed duty in criticising the figures proposed by the local Government; that the usual procedure laid down in article 153 of the Civil Account Code has been followed; that the budget notes are merely the means of collecting the necessary information to be laid before the Supreme Government for the settlement of the figures to be finally adopted; that they were in Finance and Commerce Department letter No. 982-A of the 23rd February 1895 made available to the Government of Madras at its express desire and contrary to the wishes of the Government of India; and that they afford a convenient means, in the pressure of budget work, of communicating to the Accountant-General the points on which he has to take the orders of the local Government. You add that it will be a great convenience if the Madras Government follows the usual procedure in considering the points raised in connection with the estimates and if it passes orders on them at the instance of the Accountant-General without a formal letter from the Government of India.

4. As regards the misapprehension under which you presume this Government has been labouring, I am to observe that the Accountant-General, in his letter No. 496 of the 7th February 1899, stated "under instructions from the Financial Secretary to the Government of India ~~XX~~ for the information of Government that the Government of India had made the" reductions in the estimates for 1899–1900 which were specified in my telegram of the 11th instant. As these reductions correspond almost exactly with portions of the amendments of the estimates which the Accountant-General considered six days earlier to be practicable, the inference drawn by this Government that the reductions in question were based on the Accountant-General's budget notes was, I am to submit, inevitable.

P R

Proof sent to C.S.

Please see blue pencil proposed alterations

5. Touching your reference to the budget notes and the correspondence ending with Finance and Commerce Department letter No. 982-A, dated the 23rd February 1895, I am to draw attention to the fact that that letter distinctly stated that *it was not possible to place the budget notes at the disposal of a local Government even unofficially*; although there was no objection to the Accountant-General making the fullest use of them for the purposes of any information required of him by the Local Government.

Civl 22.3.99

May be accepted.

22/3

6. I am to point out that the function of the local Government—a function recognised by article 153 of the Civil Account Code—is to prepare the budget estimates and fix the proposed grants in accordance with its knowledge of facts. The decisions as to the grants required for the various departments in this Presidency are arrived at after very careful examination, and not a single figure enters into this portion of the estimates without prior scrutiny by Government. Several months are annually devoted to this work which is carried out in the greatest detail, as a reference to the voluminous budget orders passed by this Government will show. Of recent years, however, it has become the custom for the Accountant-General, after consolidating the estimates, to profess to be in a position to arrive by arithmetical processes at results far more accurate than those of the local Government and to propose *lump* deductions with reference to past actuals merely, and, in the majority of cases, without any indication of the detailed heads to be altered.

Civl 22/3/99

7. This Government does not for a moment contend that the criticisms of the Accountant-General are not very often valuable: on the contrary, the Governor-in-Council is always ready to receive these criticisms and to act upon them when there appears to be good reason for doing so. But what the Governor-in-Council feels constrained to protest against is, that estimates which have been prepared after considerable labour should be altered without reference to him and without affording him any opportunity of justifying them; that the Supreme Government should direct the Accountant-General, through the budget notes, which are kept secret from the local Government, to alter the grants; and that these alterations should be ~~eventually~~ carried out. The present system defeats the provisions of articles 153 and 1512 of the Civil Account Code which lay down definitely the position of the local Government in the matter.

[ ] Omit?

8. It appears to this Government that since it is responsible for the budget estimates and the financial administration of the Presidency, the amounts entered in its estimates should not be altered on the recommendation of an Accountant-General based on observations which the Governor-in-Council has no opportunity of considering. If the Government of India communicated the budget notes to the local Government direct, every effort would be made, in consultation with the Accountant-General, to meet the views of the Supreme Government.

9. I am to state that ~~His Excellency~~ the Governor-in-Council considers that the difficulties of the present situation would be considerably modified if this Government were supplied with a copy of the budget notes demi-officially and confidentially (as the Government of India from their telegram of the 13th ultimo mistakenly appear to suppose is now the case) at the same time as they are sent to the Accountant-General and were made acquainted with that officer's criticisms before or at the time he communicates them to the Government of India. If this Government is thus put in possession of the Accountant-General's criticisms, it will be possible for it after consulting the Administrative Department concerned to say within a day or two or in some cases perhaps at once whether and how far his criticisms can be accepted, and thus time will be saved and misapprehension avoided. If this arrangement is accepted ~~His Excellency~~ the Governor-in-Council will not desire to press the Government of India for their instructions direct on all the proposed alterations of the budget.

[ ] Omit

~~10. A separate letter communicates the remarks of this Government on the Accountant-General's proposals in regard to the esimates of 1899–1900.~~

I have the honour to be,
Sir,
Your most obedient servant,

22/3

Chief Secretary.

FORT ST. GEORGE,
th March 1899.

NUMBER OF COPIES REQUIRED.
Order complete 2
Letter only 50
Order complete with Letter.

copy sent to Press.

urn for signature.

spatched in print.

DATED

END AGAIN G.O., No.
189

CURRENT No.

Print as marked ~~right~~

~~Please send sign copies~~

The orders of the revised abstract ~~put~~ for the letter to G. of I. put up please send sign copies now soon.
V. 24/3

Please send sign copies soon.
27-3-47

LOSURES TO G. No.

ORDER OF GOVERNMENT.

LETTER OF GOVERNMENT.

STATEMENT WITH DITTO.

PAPERS NOT FILED UP, BEING MEANT FOR DESPATCH IN ORIGINAL.

N.B.—

A = Print in full.
B = Not to be printed.
P = Print abstract only.
Q = Print heading only.

[G.]

y urgent

I
5/4/89

Financial (1899) Department.

ORDINARY PRINTED.

G.O., No. 455–56

DATED 20-3-99

INDEXED. 36/36

R.

[Despatch Abstract.]

Budget Estimates

Directing that the G of I be addressed on the subject of the interference of the A.G with the Budget-estimates prepared by this Govt.

(Letter abst)

Stating, with Remarks, that this Govt is constrained to protest against alterations being made in the — prepared by this Govt ~~[illegible]~~ without any reference to the Governor-in-Council & without affording him any opportunity of justifying them.