

Local & Munl. (1899) Department.
Plague.

MISCELLANEOUS.

G.O., No. 1430

DATED 28-9-99

[Despatch Abstract.]

Plague expenditure

Recording P.O. no. 939 & 2m & 29.88 Commencing
to the Accountant General letter from the Government
of India on the subject of the classification —
and issuing certain instructions on the subject.

BACK PAPERS.

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

FURTHER PAPERS.

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

Government {1899} of Madras. FINANCIAL.



Recd.

Regd.

1899.

Enclosures

Spare copies

G.O., No. 939, 29th August 1899.

AUGUST.

22/5/89

26. ix. 99

*As pointed out in the Dept. Office -
The view of this Dept. that no plague
superintendence is incurred by deputing officers
of visiting establishments to plague is upheld
by the Govt. of India.*

Plague Expenditure.

Communicating to the Accountant-General letter from the Government of India on the subject of the classification of —, and issuing certain instructions on the subject.

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

READ—again the following paper:—

G.O., Nos. 723, 724, Financial, dated 23rd June 1899.

ABSTRACT.—Stating, with remark, that the Government of India will be addressed regarding the classification of plague charges under the heads *Direct* and *Indirect*, and directing that orders on certain draft circular on the subject forwarded by the Accountant-General be held over.

READ—also the following papers:—

From J. F. FINLAY, Esq., Secretary to the Government of India, Finance and Commerce Department (Accounts and Budget—Adjustment), to the Chief Secretary to the Government of Madras, dated Simla, the 14th August 1899, No. 3694-A.

I am directed to acknowledge receipt of your letter No. 724 of June 23rd, 1899, on the subject of the classification of expenditure connected with plague.

2. In reply I am directed to enclose copies of correspondence * with the Govern-

ment of Bombay, in which a similar question was discussed, and in which it was laid down that the only expenditure on plague to be treated as "direct" is expenditure which, under the ordinary

rules of classification, is recorded in the accounts under the special sub-head mentioned in paragraph 2 of your letter.

3. The Government of India, after again carefully considering the matter in the light of the remarks of the Government of Madras contained in your letter, adhere to the opinion that the above is the simplest and most satisfactory order, and consider that it will prove easier to work and give rise to less confusion than the rules proposed in paragraph 5 of your letter. Any difficulties which arise will be solved by the Accountant-General and the Comptroller-General who are the recognized authorities on questions of classification in the accounts. The Government of Madras may safely leave to those officers the issue of rules as to the classification of plague charges and the settlement of all questions which may arise in the application of the rules. The Accountant-General will also be able to advise the Government of Madras how to overcome the difficulties mentioned in paragraph 8 of your letter in applying ordinary budget principles to plague expenditure: if he is in doubt, he might, I am to suggest, ascertain from the Accountant-General, Bombay, how similar difficulties have been overcome in that Province.

4. With reference to the remarks in paragraph 8 and paragraph 5 of your letter, I am to explain that the intention of the instructions issued by the Government of India and the Comptroller-General on this subject was to apply as closely as possible to plague expenditure the principles which have been laid down and have been long applied without difficulty to expenditure on famine relief. Neither in the one case nor in the other is it possible or desirable to collect under one head in the accounts all charges which the occurrence of the calamity necessitates, and it would be particularly objectionable to issue orders having the effect of transferring to the special head expenditure which would have been incurred and charged to an ordinary head of account had there been no famine or plague. As explained in the letter to the Government of Bombay, the Government of India fully recognise that the expenditure treated as "direct" does not include all the expenditure which the plague has made it necessary to incur.

ENCLOSURES.

From J. W. P. MUIR-MACKENZIE, Esq., I.C.S., Secretary to the Government of Bombay, Financial Department, to the Officiating Secretary to the Government of India, Finance and Commerce Department, dated 25th March 1899, No. 1530.

I am directed to state that certain charges due to plague incurred in this Presidency and debited to the head 24. Medical (*e.g.*, the cost of additional establishment in the Surgeon-General's office, under the Health Officer of the Port of Bombay and at some of the existing hospitals) have been treated by the Accountant-General, Bombay, as indirect plague charges under instructions received by him from the Comptroller-General. In the opinion of His Excellency the Governor in Council all charges * due to plague which are debited to the head 24. Medical (to the credit of which the grant for

direct plague expenditure is taken) should be classed as direct plague expenditure, whether they are attributable to increase of existing establishments or to any other cause. The Accountant-General, Bombay, was accordingly requested to treat such charges as direct plague expenditure or to inform Government whether there was any, and if so, what objection to the classification suggested.

2. I am now to enclose a copy of the reply †, with accompaniment, received from the Accountant-General, and to state that the Governor in Council remains of opinion that the

expenditure in question ought to be classed as direct plague expenditure, or, in the words of the Comptroller-General, be taken to the head of account "Expenses in connection with the Bubonic Plague under 24. Medical." The wording of the head of account indeed so exactly describes the character of the expenditure that it is not easy to understand how it could be appropriately classed under any other head. I am to request that, with the permission of the Government of India, the Comptroller-General may be directed to classify the expenditure in accordance with the view above expressed.

3. This Government is most reluctant to call in question the ruling of the Comptroller-General regarding the classification of expenditure. In the present case, however, the classification has an important bearing upon the liability of Provincial revenues, and the mode in which Provincial expenditure is regarded by the Government of India. The Supreme Government appears to think that Provincial revenues may be considered more appropriately liable for indirect than for direct expenditure upon famine and plague. The Governor in Council is compelled to express his respectful dissent from such an opinion. The extent to which Provincial revenues are to be held liable for the discharge of plague or famine expenditure is a matter which this Government admits is for the Supreme Government to determine. But I am to submit that the determination ought to be independent of the head of account under which the expenditure happens to fall. The material facts on which the decision ought to be based appear to be—

- (1) the total amount of expenditure clearly ascertained to have been incurred on account of plague whatever the head of account under which that expenditure may be technically classified, and
- (2) the extent to which Provincial expenditure on the requisites of ordinary administration has been and ought to be affected, by reason of the expenditure under (1).

Similarly, I am to submit that, in any calculation which may be framed regarding the scale or growth of ordinary Provincial expenditure, all expenditure, and not merely direct expenditure, on plague or famine ought to be omitted from the total expenditure classed as ordinary.

4. Should the Governor-General in Council be able to accept the above views, this Government will be able as they would desire to regard the classification prescribed by the Comptroller-General as a matter merely of convenience in accounting and without administrative significance, and to feel that the extent to which the Provincial resources had been economised and the Provincial expenditure retrenched during the course of the last three years of calamity was fully understood and appreciated by the Government of India.

From J. F. FINLAY, Esq., c.s.i., Secretary to the Government of India, Finance and Commerce Department, to the Secretary to the Government of Bombay, Financial Department, dated 22nd May 1899, No. 2315-A.

I am directed to acknowledge the receipt of your letter No. 1530, dated the 25th March 1899, reporting that certain charges due to plague, namely, the cost of additional establishment in the Surgeon-General's office, under the Health Officer of the Port of Bombay, and at some of the existing hospitals, have been treated by the Accountant-General, Bombay, as indirect plague charges under instructions received by him from the Comptroller-General, and stating that in the opinion of His Excellency the Governor in Council all charges due to plague, which are debitable to the head "24. Medical," should be classed as "direct" plague expenditure.

2. In reply, I am to say that the Government of India consider it most convenient to treat as "direct" expenditure on plague only the expenditure which under the ordinary rules of classification would be recorded in the accounts under the special sub-head "Expenditure in connection with the bubonic plague" subordinate to the minor head "Grants for medical purposes" under the major head "24. Medical." The decision of the Comptroller-General is in accordance with the principles of classification always followed, namely, that additions to pre-existing establishments, whether Police, Revenue, or Medical, should be charged to the same head of account as those establishments. A similar rule of classification is observed in the analogous case of famine charges; the cost of additions to ordinary establishments is not charged to "33. Famine Relief."

3. The Government of India fully recognise that the plague expenditure treated as "direct" does not include all the expenditure which the plague has made it necessary for the Government of Bombay to incur, and that if any calculations of the nature described at the end of paragraph 3 of your letter should ever be made, it would be fair to take the indirect expenditure into account as well as the direct expenditure.

4. The aid given to Provincial revenues in consideration of the magnitude of the plague expenditure and the state of the Provincial finances was in the nature of a lump grant, and the Government of India did not undertake to relieve the Bombay Government of all expenditure caused by the plague, but only of the great bulk of it. At the same time the fact that indirect expenditure was being incurred was not overlooked, and the Government of India took it into account in making the separate general grant-in-aid to Provincial revenues of 15 lakhs of rupees, as stated in paragraph 59 of the Financial Statement for 1899-1900.

Copy forwarded to the Accountant-General, Bombay.

From the Accountant-General to the Government of Madras, dated 17th August 1899, No. T. 259-Genl.—5402.

ORDER—No. 939, Financial, dated 29th August 1899.

The foregoing letter from the Government of India, together with a copy of the letter to which it is a reply, will be communicated to the Accountant-General with the request that he will, at a very early date, submit to Government for approval a draft circular (in print) dealing with the classification of plague expenditure. This circular, whilst excluding general remarks such as those contained in paragraphs 1 to 6 of the 1899, should be complete in itself and should cover all points which have arisen since last June.

2. The Accountant-General will also submit for approval a draft circular calling on all officers concerned to forward to him, in view of compilation in his office and inclusion in the statements prescribed in G.O., No. 865, Financial, dated the 1st August 1899, monthly statements of all expenditure incurred in connection with the plague which may not be brought to book as *direct* or *indirect*, e.g., the emoluments of officers and establishments forming part of existing departments or services and not replaced by substitutes but exclusively engaged on plague duties.

(True Extract.)

Al. H. M.
for Chief Secretary.

To the Accountant-General.
„ the Local and Municipal Department. ✓

Exd. P. Seetharam.

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CURRENT No.

ENCLOSURES TO C. No.

ORDER OF GOVERNMENT

A A A A A A A

LETTER OF GOVERNMENT.

STATEMENT WITH DITTO.

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