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(3) Initials of the Referencer

MADRAS RECORD OFFICE.

Government of Madras.

Public Works DEPARTMENT.

G.O. No. 2830 Press Mis.

627-634.

Dated 29-9-1864.

Not to be folded or roughly handled

Proceedings of the Madras Government, Public Works Department, 29th September 1864.

No. 633. Read the following letter from Lieutenant-Colonel M. K. KENNEDY, R. E., Secretary to the Government of Bombay, Public Works Department, to the Secretary to the Government of Fort Saint George, Public Works Department, dated Bombay Castle, 10th September 1864, No. 1,489 M:—

SIR,

In continuation of the letter No. 1,315 of 19th July 1864, copies of which were forwarded to you with my letter No. 1,217 of the 21st idem, I am directed, while acknowledging the receipt of your Nos. 2,271 and 2,487, dated the 8th and 29th ultimo respectively, to transmit three copies of my letters as per margin, which have been addressed to the Government of India, respecting the introduction of the new system of Public Works Accounts.

No. 1,385 of 26th July 1864.
„ 1,656 of 3rd Sept. „

No. 634. ORDER THEREON, 29th September 1864, No. 2,830.

Ordered to be recorded.

(True Extract.)

(Signed) J. H. M. SHAW STEWART, Major, R. E.,
Deputy Secretary to Government.

Exd. S. T. Augustin,

No. 1385 of 1864.

PUBLIC WORKS DEPARTMENT.
26th July 1864.

FROM

THE SECRETARY TO THE GOVERNMENT OF BOMBAY.

To

THE SECRETARY TO THE GOVERNMENT OF INDIA.

SIR,

I am directed to acknowledge the receipt of your No. $\frac{167\ A}{2712}$, dated 20th ultimo, forwarding extract from the proceedings of the Government of India, No. 726, dated 8th idem, in the Financial Department, relative to the introduction of a system of monthly letters of credit into the Bombay Presidency.

2. In reply, I am directed to express the hope of this Government, that the subject of monthly credits will be reconsidered before it is finally insisted on.

3. The present system of quarterly credits is found in practice to be very inconvenient, to be productive of delay, and sometimes of actual stoppage of works.

4. So many circumstances are calculated to affect the progress of any given work, that it is impossible for the Executive Engineer, who, in the case of a large district, has frequently to depend on the reports of un-intelligent Subordinates for his estimate of prospective expenditure within any fixed period, always to be able to correctly calculate his probable requirements of cash. There is the danger on the one hand of his applying for and obtaining too little credit, and on the other the inconvenience of his asking for more than he wants. In the former case great delay must frequently occur before the mistake can be rectified and supplementary credit obtained, and in the latter all calculations are vitiated; and at the end of the year it may and does very frequently happen, that the aggregate of credits given to an officer for any one work are greatly in excess of the sanction for that work.

5. It is found by experience that the present system of quarterly credits is unfavorable for enabling the officers of account to judge how much cash will be required at any given Treasury. As Executive Officers, in self defence, are apt to over estimate their probable requirements under the system of monthly credits, the Governor in Council has no doubt this evil will be greatly increased.

6. If it be objected that neither of these reasons are of importance, it may be replied that if some reasonable correspondence between the amount of credit applied for and given, and the actual expenditure cannot be secured, the system of short periodical credits must be a mere useless formality; and as it is at the same time a very troublesome and vexatious arrangement, His Excellency the Governor in Council trusts it will not be enforced as far as this Presidency is concerned.

7. His Excellency in Council, I am directed to say, is at a loss to understand the object of the monthly credits; they cannot act as a check, for within the amount of the sanctioned estimate they cannot be refused. But he can conceive nothing more irritating and annoying to a disbursing officer than to find that he cannot push on works when opportunity offers, because he has not got sufficient credit, and that within the sanctioned amount he knows to be at his disposal, he is bound by a fictitious limit which must either cramp his exertions, or if passed, necessitate probably long and troublesome explanations.

8. The force of this argument may not be so great on the other side of India, where officers do not appear to be engaged so extensively on scattered works; a road here—a large bridge there—and irrigational works elsewhere; but His Excellency in Council trusts that His Excellency the Governor General in Council will accept his assurance, that under the circumstances of the various territorial charges in this Presidency, the introduction of a system of monthly credits would be a serious evil.

9. His Excellency in Council would recommend that instead of monthly, or quarterly credits, a system of yearly credits should be granted; *i. e.* that the same system which is applied by the Government of India to the Local Governments of yearly assignments, should by the latter be applied to each work or assignment under each of their subordinate disbursing officers. In this way on the sanction of any particular budget, each officer would receive credits for the full amount assigned to his works in that budget; he would thus have his hands untied by any intermediate limit of expenditure, and would adapt his rate of progress to his means, without the danger and vexation of falling into account complications. His monthly account current on the new system would be quite sufficient check on his expenditure, without first binding him down to state what he is going to spend during each month, and then making him show what he has spent.

10. In the view that he has taken of this subject, His Excellency the Governor in Council is gratified to find that he has the concurrence of such high authority, on a mere accounts matter, as the late Commission on Public Works Accounts, who in the 99th para: of their Report wrote as follows:—

> "At the close of each month, Treasury credits under the arrangements now in force lapse, and the balances on Bank Credits are re-transferred to the account of the Deputy Auditor and Accountant General. This unnecessarily multiplies entries, and in case of delay in sending fresh credits by the 1st of the month, much inconvenience might result to the public service, and the fear of any such difficulty holds out an inducement to disbursers to keep a larger cash balance than is actually necessary. These credits should remain available until exhausted, and fresh credits would only be granted as needed."

11. If credits are drawn monthly, and are yet not to lapse, it is evidently a legitimate conclusion that it would be better to draw them for larger periods at once, and the most convenient period would be that which would correspond with the assignment for the year.

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

Sigd. pll. K. Kennedy

Lieut.-Colonel, R. E.,
Secretary to Government.

Bombay Castle,
26th July 1864.

No. 1385 of 1864.

Public Works Department.
26th July 1864.

From

The Secretary to the Government of Bombay.

To

The Secretary to the Government of India.

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Your most obedient servant,

BOMBAY CASTLE, }
26th July 1864. }

Lieut.-Colonel, R. E.,
Secretary to Government.

7

No. 1385 OF 1864.

PUBLIC WORKS DEPARTMENT.
26th July 1864.

FROM

THE SECRETARY TO THE GOVERNMENT OF BOMBAY.

To

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

BOMBAY CASTLE,
26th July 1864.

Lieut.-Colonel, R. E.,
Secretary to Government.

No. 1656 OF 1864.

PUBLIC WORKS DEPARTMENT,
3rd September 1864.

FROM

THE SECRETARY TO THE GOVERNMENT OF BOMBAY.

TO

THE SECRETARY TO THE GOVERNMENT OF INDIA.

SIR,

I have the honor to acknowledge the receipt of your Circular, No. 51, dated 25th July 1864, transmitting copy of Resolution by the Government of India in the Financial Department, No. 1327, dated 19th Idem, on the subject of the supply of funds to the Public Works Department on monthly letters of credit, and directing that the new rules on this subject should come into effect on the 1st September 1864.

2. In reply, I am directed to observe for the consideration of the Government of India, that the Circular above referred to was not received in Bombay till the 6th of August 1864, that the subsidiary orders referred to in para: 7 of the Government Resolution above quoted, have not yet been received, and that there is actually no time, even if the orders already received had been complete in every respect, to communicate them to the Department generally, and to ensure their being fully made known to each disbursing and treasury officer from Jacobabad in Sind to Honore in North Canara, with a view to their introduction from the date specified, and that any attempt to carry out the arrangement by the date named would therefore be certain to throw the Public Works Department into confusion and materially to impede its action.

3. It is, I am desired respectfully to point out, in the opinion of His Excellency the Governor in Council, highly inexpedient that arrangements, such as the present, which involve a change of established practice on so vital a point as the mode of obtaining funds to carry on Public Works, should be attempted unless a sufficient time is allowed to admit of orders and all necessary forms being in the hands of the officers concerned for some short period before the new plan is to take effect.

4. These remarks, I am directed to add, apply not only to the case under reference, but also to other late Circulars by the Government of India, some of which are calculated to have even retrospective effect, No. 35, dated 7th June 1864 for instance; and His Excellency in Council would desire prominently to bring to the notice of the Governor General in Council that however desirable it may seem to effect changes, nothing can possibly be gained, though a great deal may be lost, by attempting to introduce them too precipitately.

5. To return to the subject of the particular Circular now under reply, I am directed to refer to this office No. 1385, dated 26th July last, on the subject of monthly credits, to which His Excellency the Governor in Council desires to await a reply before taking any steps to introduce the system adverted to.

6. Your communication now under reference, it is true places the matter in a somewhat different light, for it states that the monthly credits are not to lapse but are to run on till exhausted. Under these circumstances, however, I am to enquire, what is the precise meaning of a monthly credit which does not lapse? and whether it is intended to take any precautions to prevent larger credits than the proportionate amount for one month's expenditure being applied for and granted?

7. If it is meant that the year's allotment is to be divided in each case by the number of months the assignment has to run, and credit for certain portion

only of the allotment is to be given, I am to say that, in the opinion of His Excellency the Governor in Council, the arrangement will be very obstructive and lead to much delay and confusion if an officer's applications are liable to revision or refusal.

8. The state of the labor market, the relative importance of adjoining works, the outbreak of sickness, and numerous other causes are always liable to render nugatory arithmetical calculations of this character; and in the case of remote works off regular postal lines, a great deal of delay must always occur in collecting reports of subordinates compiling and revising them.

9. His Excellency in Council speaking under correction, I am desired to say, sees no object to be gained by granting credits for such short intervals that would compensate for the inconvenience of the arrangements in other respects. For some accounts purposes the plan may possess advantages, but His Excellency in Council would earnestly enquire whether rigid account considerations should rule actual working operations, or whether it is not more convenient and reasonable that the reverse should be the case, and that accounts should be merely the records of works.

10. This view of the subject, His Excellency in Council thinks, is very well worthy of the careful attention of the Government of India, because the large number of Circular orders on the subject of accounts that have recently issued in the Public Works Department of the Government of India, have had the distinct tendency to subordinate works to accounts, and are likely to prove the source of great embarrassment to this Government in the Public Works Department; and in the opinion of His Excellency in Council, to bring about a state of matters which will not be at all conducive to the vigorous and successful prosecution of the works of public utility required for the improvement of this part of India.

11. To the general arrangements suggested by the Accounts Commission, as His Excellency the Governor in Council has already stated, vide my No. 1315, dated 19th July 1864, that he has no objection, though he does not consider many of the alterations proposed by any means essential; but the Supplementary orders which have been issued principally from the new office of Accountant General of Public Works appear to have a tendency to overlay the subject with more detail and difficulty than the Commission apparently intended, and instead of a simplified plan, such as the Commission desired to be introduced, to establish some thing as intricate and as complicated as that which the Commissioners sat to enquire into, and which, in His Excellency the Governor in Council's opinion, they very properly refrained from approving.

12. If, however, the monthly credits, the subject of this letter, are not to lapse, and if no restriction, except the limit of sanction, is to be put on the amount to be asked for and granted, His Excellency in Council, I am desired to say, has no objection to the arrangement, though, as at present informed, he does not understand a system of monthly credits which are not to lapse but to run on till exhausted.

13. In any case, however, with the permission of the Government of India, he does not desire to introduce the system into this Presidency until he can do so simultaneously with the new accounts arrangement which will be at latest at the end of the current official year.

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

Sigd/ M. K. Kennedy

Lieut.-Colonel, R. E.,
Secretary to Government.

BOMBAY CASTLE,
3rd September 1864.

No. 1636 OF 1864.

PUBLIC WORKS DEPARTMENT,
3rd September 1864.

FROM

THE SECRETARY TO THE GOVERNMENT OF BOMBAY.

TO

THE SECRETARY TO THE GOVERNMENT OF INDIA.

SIR,

I have the honor to acknowledge the receipt of your Circular, No. 51, dated 25th July 1864, transmitting copy of Resolution by the Government of India in the Financial Department, No. 1327, dated 19th Idem, on the subject of the supply of funds to the Public Works Department on monthly letters of credit, and directing that the new rules on this subject should come into effect on the 1st September 1864.

2. In reply, I am directed to observe for the consideration of the Government of India, that the Circular above referred to was not received in Bombay till the 6th of August 1864, that the subsidiary orders referred to in para: 7 of the Government Resolution above quoted, have not yet been received, and that there is actually no time, even if the orders already received had been complete in every respect, to communicate them to the Department generally, and to ensure their being fully made known to each disbursing and treasury officer from Jacobabad in Sind to Honore in North Canara, with a view to their introduction from the date specified, and that any attempt to carry out the arrangement by the date named would therefore be certain to throw the Public Works Department into confusion and materially to impede its action.

3. It is, I am desired respectfully to point out, in the opinion of His Excellency the Governor in Council, highly inexpedient that arrangements, such as the present, which involve a change of established practice on so vital a point as the mode of obtaining funds to carry on Public Works, should be attempted unless a sufficient time is allowed to admit of orders and all necessary forms being in the hands of the officers concerned for some short period before the new plan is to take effect.

4. These remarks, I am directed to add, apply not only to the case under reference, but also to other late Circulars by the Government of India, some of which are calculated to have even retrospective effect, No. 35, dated 7th June 1864 for instance; and His Excellency in Council would desire prominently to bring to the notice of the Governor General in Council that however desirable it may seem to effect changes, nothing can possibly be gained, though a great deal may be lost, by attempting to introduce them too precipitately.

5. To return to the subject of the particular Circular now under reply, I am directed to refer to this office No. 1385, dated 26th July last, on the subject of monthly credits, to which His Excellency the Governor in Council desires to await a reply before taking any steps to introduce the system adverted to.

6. Your communication now under reference, it is true places the matter in a somewhat different light, for it states that the monthly credits are not to lapse but are to run on till exhausted. Under these circumstances, however, I am to enquire, what is the precise meaning of a monthly credit which does not lapse? and whether it is intended to take any precautions to prevent larger credits than the proportionate amount for one month's expenditure being applied for and granted?

7. If it is meant that the year's allotment is to be divided in each case by the number of months the assignment has to run, and credit for certain portion

only of the allotment is to be given, I am to say that, in the opinion of His Excellency the Governor in Council, the arrangement will be very obstructive and lead to much delay and confusion if an officer's applications are liable to revision or refusal.

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Lieut.-Colonel, R. E.,
Secretary to Government.

No. 1656 OF 1864.

PUBLIC WORKS DEPARTMENT,
3rd September 1864.

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THE SECRETARY TO THE GOVERNMENT OF BOMBAY.

To

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only of the allotment is to be given, I am to say that, in the opinion of His Excellency the Governor in Council, the arrangement will be very obstructive and lead to much delay and confusion if an officer's applications are liable to revision or refusal.

8. The state of the labor market, the relative importance of adjoining works, the outbreak of sickness, and numerous other causes are always liable to render nugatory arithmetical calculations of this character; and in the case of remote works off regular postal lines, a great deal of delay must always occur in collecting reports of subordinates compiling and revising them.

9. His Excellency in Council speaking under correction, I am desired to say, sees no object to be gained by granting credits for such short intervals that would compensate for the inconvenience of the arrangements in other respects. For some accounts purposes the plan may possess advantages, but His Excellency in Council would earnestly enquire whether rigid account considerations should rule actual working operations, or whether it is not more convenient and reasonable that the reverse should be the case, and that accounts should be merely the records of works.

10. This view of the subject, His Excellency in Council thinks, is very well worthy of the careful attention of the Government of India, because the large number of Circular orders on the subject of accounts that have recently issued in the Public Works Department of the Government of India, have had the distinct tendency to subordinate works to accounts, and are likely to prove the source of great embarrassment to this Government in the Public Works Department; and in the opinion of His Excellency in Council, to bring about a state of matters which will not be at all conducive to the vigorous and successful prosecution of the works of public utility required for the improvement of this part of India.

11. To the general arrangements suggested by the Accounts Commission, as His Excellency the Governor in Council has already stated, vide my No. 1315, dated 19th July 1864, that he has no objection, though he does not consider many of the alterations proposed by any means essential; but the Supplementary orders which have been issued principally from the new office of Accountant General of Public Works appear to have a tendency to overlay the subject with more detail and difficulty than the Commission apparently intended, and instead of a simplified plan, such as the Commission desired to be introduced, to establish some thing as intricate and as complicated as that which the Commissioners sat to enquire into, and which, in His Excellency the Governor in Council's opinion, they very properly refrained from approving.

12. If, however, the monthly credits, the subject of this letter, are not to lapse, and if no restriction, except the limit of sanction, is to be put on the amount to be asked for and granted, His Excellency in Council, I am desired to say, has no objection to the arrangement, though, as at present informed, he does not understand a system of monthly credits which are not to lapse but to run on till exhausted.

13. In any case, however, with the permission of the Government of India, he does not desire to introduce the system into this Presidency until he can do so simultaneously with the new accounts arrangement which will be at latest at the end of the current official year.

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

Bombay Castle,
3rd September 1864.

Lieut.-Colonel, R. E.,
Secretary to Government.

No 1489 of 1864

Public Works Department

To
The Secretary to the Govt
Fort St. George
Public Works Department
Madras

Sir

In continuation of the letter
No 1315 of 19th July 1864, Copies of which
were forwarded to you with my letter No
1217 of the 21st idem I am directed,
while acknowledging the receipt of
your Nos 2271 and 2487 dated the 8th and
29th ultimo respectively, to transmit
three Copies of my letters as per margin,
which have been addressed
to the Government of India
respecting the introduction of the new system
of Public Works Accounts.

No 1355 of 26th July 1864
No 1656 of 3d Septr 1864

I have the honor to be
Sir
Your most obedient Servant

Lt Colonel
C R E
Secretary to Government

Bombay Castle
10th September 1864

No. 2830

Recorded

Elephanta
29th Septr/64

9th V 1864 Depte
Govt of Govt for Depts
No 4486.

From the Secy to
Govt of Bombay

D/10 } Septr/64
Rec'd 19 }

E/1 } No 1489 dte
Havn

Forwarding
Copies of the further letters
to the Govt of India respect-
-ing the introduction of the
new System of Pay Accounts.

Recorded
No 2830-29th Septr/64

No 633-634

2. 21st Septr 1864 - On 2d