M.R.O. 14—13,000—27-9-24.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 102 Press ~~Mis.~~

198 . 199

Dated 16. 1- ~~19~~ 1864

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 16th January 1864.

No. 198. Read the following letter from Colonel T. McGOUN, Controller of Military Finance, to Colonel H. MARSHALL, Secretary to Government, Military Department, dated Fort Saint George, 24th December 1863, B:—

SIR,

1. I have the honor to forward a letter from Lieutenant-Colonel Silver, dated 12th December 1863, requesting a refund of Rupees 220 Stamp duty on the Security Bonds furnished by him in connection with his appointment as Superintendent and Agent for Army Clothing.

2. Colonel Silver bases his claim upon two grounds, firstly, that, had his Bonds been executed at the time when he was called upon to furnish them he would not have been required to pay any Stamp duty; the delay resting with the Government Solicitor; and secondly, that, on a reference to the Government of India it was decided that money security shall not be required from the Commissioned Officers of the Clothing Department.

3. With regard to the first ground I would remark that, at the time of Colonel Silver's appointment, the Stamp Act equally required that Stamp duty should be paid by the Officer executing the Bond, and the previous exemption was an error. It does not, therefore, appear to me that Colonel Silver can fairly claim the benefit of such erroneous practice which had not been applied in his case, on the mere ground that others had benefited by such error, and he would have done so likewise had there been no delay in executing the Bonds.

4. The case was not one of a change of rule, but of correcting an error in practice.

5. With reference to the second ground it is to be observed that, whatever may have led the Government of India to pass the decision in regard to security furnished by Commissioned Officers of the Clothing and other Departments (the subject having engaged the attention of the authorities for some time), the decisions in both cases are, I think, clearly intended to be in their effect prospective only; that referring to the Clothing Department was but a sequel to the decision of 12th August 1863.

6. At the period when the Bonds were furnished by Colonel Silver the Regulations peremptorily required that they should be executed, and the subsequent decision dispensing with them does not appear to me to support Colonel Silver's claim in regard to exemption from the demand for the Bonds, and if executed the Stamp duty is a necessary consequence.

7. Officers of the Commissariat and Pay Departments who have paid the duty would have an equal claim to remission on Bonds, which under the decision of the Government of India have been returned to them.

Nos. 5,476 A, and 5,477.

Referred to the Revenue Department, together with the former correspondence.

Fort Saint George,
6th January 1864.

(Signed) H. MARSHALL, Colonel,
Secretary to Government.

To the Revenue Department with letter No. 5,476 A of 1863 (to be returned) and former papers, Nos. 567 and 3,724 of 1863.

No. 199. ORDER THEREON, 16th January 1864, No. 102.

It is observed that the Superintendent and Agent for Army Clothing addressed the Government (through the Controller of Military Finance) in January 1863, on the subject of his Security Bond, and that Government in desiring* that Officer to execute it for Rupees 50,000 "in the meantime," referred the question to the Government of India, by whom it was decided† that money security should not be required from the Commissioned Officers of the Clothing Department. Looking

* Military G. O. 19th February 1863, No. 566.

† Military G. O. 21st November 1863, No. 3,724.

to these facts, the Governor in Council thinks that Colonel Silver may fairly expect a refund of the Stamp duty, viz. Rupees 220, paid by him on the Bond in question; and this refund is accordingly sanctioned. The Government do not see that this case, the circumstances of which are so peculiar, would form an inconvenient precedent, as is supposed by the Controller.

(True Extract.)

(Signed) J. D. SIM,
Secretary to Government.

To the Military Department.
" Board of Revenue.
" Accountant General.
" Civil Paymaster.

Exd. S. T. Augustin.

MILITARY DEPARTMENT.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

Read the following letters:—

From the Controller of Military Finance, Fort Saint George, 29th January 1863, B; to the Secretary to Government, Military Department.

I have the honor to forward a letter received from the Superintendent and Agent for Army Clothing, dated 17th January 1863, No. 5311, requesting a revision of the amount of Security required from the Army Clothing Department.

2. I may observe that the extent of the Security, Rupees 50,000, required from the Agent, is prescribed by the Clothing Regulations issued under the authority of the Government of India, and applicable to the three Presidencies.

Paragraph 19, *page* 3.

3. Any alteration therefore would require the sanction of the Supreme Government.

4. The Superintendent and Agent can scarcely be considered a disbursing Officer at all, in the restricted sense of that term as applied to Officers disbursing public money, and the question seems to turn upon the principle upon which Security is demanded.

5. It is not apparent why an Officer who has extensive and valuable Government Stores in his custody and under his immediate control, should be exempt from the demand of Security, while an Officer who disburses cash must furnish such Security for his acts.

6. The custody of Stores involves much and close supervision, and the interests of Government appear to require quite as much protection in the custody and dispensing of Stores, as in the disbursing of cash.

7. The circumstances of the Agencies at Calcutta and Bombay however certainly differ very materially from those of this Agency. Beyond the pay and hire which Lieutenant Colonel Silver issues to his Establishment and to workmen, he disburses no cash; under the Order of Government, No. 3534, dated 4th October 1859, (paragraph 6) the purchase of all local supplies for Clothing at Madras was made to devolve upon the Commissariat Department, and although Bills for Compensation in lieu of Clothing are checked by the Clothing Agent, the amount is issued by the Pay Department.

8. If therefore the system of supply through the Commissariat Department is to continue, the position and responsibility of the Agent at this Presidency is materially different from that of the Agents at Calcutta and Bombay, and the question of Security appears to be worthy of consideration.

9. I cannot however recommend the exemption of the Superintendent and Agent, although the amount might be reduced, on the contrary it appears to me desirable that Officers of supplying Departments generally should be required to furnish Security.

10. As the Bond is due under existing Regulations and the charge for Stamp duty has been virtually incurred, I presume that neither the execution of the Bond nor the payment of the Tax could be suspended, pending a decision of this question.

11. The Bond has not yet been executed.

From the Superintendent and Agent for Army Clothing, Madras, 17th January 1863, No. 5311; to the Controller of Military Finance, Fort Saint George.

I have the honor to acknowledge receipt of your letter, No. 2436, of date the 10th instant, together with letter, in original, No. 3335, dated 7th January 1863, from the Military Accountant, to your address, herewith returned, as requested.

2. Having been called upon, under a recent decision of Government, to pay a heavy Stamp fee of two hundred and twenty Rupees on Security Bonds furnished by me as Army Clothing Agent, I have the honor very respectfully to solicit a revision of the amount of Security required from the Army Clothing Agent at Madras, as a disbursing Officer, with the view to a proportionate reduction in the amount of Stamp fee.

3. Under the Clothing Regulations of 1855, the Agents at the three Presidencies, as disbursing Officers, are required to furnish Security to the extent of fifty thousand Rupees.

4. In Proceedings of the Madras Government No. 3534, of date the 4th October 1859, paragraph 6, the purchase of all local supplies for Clothing at Madras, was confided to the Commissariat Department, while in Calcutta and Bombay the Agent has still this large item of expenditure, together with the cash payment of all Contingent and Compensation Bills passed by the Superintendent, amounting, as it must do, to very considerable sums of money,

5. In Madras, the Superintendent is the Examiner of all Contingent and Compensation Bills; and passes or disallows them agreeably to existing Regulations: but, in his capacity of Agent, he has nothing to do with their payment: the cash disbursement being made by local Paymasters; so that, with the removal of purchase of local supplies from his control, he can scarcely, in point of fact, be looked upon as a Cash disbursing Officer at all: his payments, in cash, being limited to some four thousand Rupees per mensen, to Tailors: the account for which is submitted to audit, fully vouched for, in the first week of the month succeeding that for which the account is rendered.

6. This fact, the Madras Government appear to have recognized in their Proceedings No. 1615, dated 2nd May 1862, paragraph 5, in recording its opinion that, "the pecuniary "responsibility of the Agent has been much reduced of late by the transfer of all its local pur- "chases to the Commissariat Department and by the system of monthly advances and effective "monthly audit recently introduced."

7. I desire respectfully to draw attention to the fact that, throughout the Madras Presidency, it is only from Cash disbursing Officers, such as Pay Department and Commissariat Officers, Security is demanded in proportion to their cash disbursements.

8. No Government Officer, in charge of Stores, or Examiner of Accounts in Madras, is called upon to furnish Security.

9. The Principal Commissary of Ordnance, Ordnance Officers throughout the country, the Superintendents of Stationery, Medical Stores, &c., have all responsibilities equal to mine, in respect to Stock under their charge, but do not furnish any Security whatev... ...om which I infer that, Government recognize the necessity for Security from Cash disbursing Officers only, in proportion to their responsibilities: and, on this ground, with all respect, I solicit a consideration of my appeal against Security to the extent of fifty thousand Rupees being taken from the Agent here, involving a heavy Stamp Tax of two hundred and twenty Rupees.

ORDER, No. 566, 19*th February* 1863.

The Governor in Council observes that the amount of Security to be furnished by each Clothing Agent, having been fixed by the Government of India at Rupees 50,000, it does not appear competent to this Government to modify it. Colonel Silver must therefore execute the Bond for the above sum in the meantime.

2. It does not however appear that the Superintendents are required to furnish Security, and adverting to the fact of the appointments of Superintendent and Agent being conjoined here, and to the difference of practice in the conduct of the business of the Department, as explained in the foregoing correspondence, the Governor in Council resolves to refer for the consideration of the Government of India, the amount of Security to be furnished in future by the Superintendent and Agent at Madras.

3. The general question raised by the Controller of Military Finance regarding the demand of Security from Officers charged exclusively with the custody of Stores not being Cash disbursing Officers, will also be brought under the consideration of the Government of India,—it appearing desirable that uniformity of practice should obtain in this respect in the three Presidencies.

(True Copies.)

/Signed/ H. Marshall Col
Secretary to Government.

Exd. A. A. DeMonte.

Q 52/14

MILITARY DEPARTMENT.

No. 567.

To

The Officiating Secretary to the Government of India, Military Department.

Sir,

Under the circumstances represented in the accompanying correspondence, I am directed to refer, for the consideration and orders of the Government of India, the amount of Security to be furnished in future by the Superintendent and Agent for Army Clothing at this Presidency.

Pro. of Govt., 19th February 1863, *No.* 566.

2. I am instructed also to solicit the attention of the Supreme Government to the question raised by the Controller of Military Finance in the papers above referred to, regarding the demand of Security from Officers charged exclusively with the custody of Stores, and not being Cash disbursing Officers—it appearing desirable that uniformity of practice should obtain in this respect in the three Presidencies.

FORT SAINT GEORGE,
19th February 1863.

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

/Signed/ H. Marshall Col
Secretary to Government.

Exd. A. A. DeMonte.

MILITARY DEPARTMENT.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

Read the following letter:—

From the Officiating Deputy Secretary to the Government of India, Military Department, Fort William, 6th November 1863, No. 113; to the Secretary to Government, Military Department, Fort Saint George.

Extract No. 5156, dated 16th October 1863, communicated with letter No. 139 of 7th September last.

With reference to your letter, No. 567 of the 19th February last, I am directed to acquaint you, for the information of His Excellency the Governor in Council, that the Honorable the President in Council has decided in the Financial Department that, in accordance with the principle which guided the decision of the 12th August 1863, money Security shall not be required from the Commissioned Officers of the Clothing Department.

ORDER No. 3724, *21st November* 1863.

Communicated to the Controller of Military Finance and Clothing Agent, with reference to Proceedings of Government, No. 566, dated 19th February 1863.

2. Colonel Silver's Security Bond will accordingly be returned to him.

(True Extract.)

/Signed/ H. Marshall Col.
Secretary to Government.

To the Controller of Military Finance.
" Clothing Department.
" Military Accountant.
" Inspector General of Ordnance.
" Commissary General..... .....
" Princl. Inspr. Genl. Medl. Dept.
} for information.

Exd. J. E. Cashort.

Hilary 1853 No 2.

Semlowski
No 52/64.

Reo No 52. No. 102.

It was observed that the Superintendent and Agent for Army Clothing addressed the Govt. (through the Controller of Military Finance) in January 1863 on the subject of his Security Bond, and that Govt. in desiring that officer to execute it

* Mil. G.O. 19 Feb/63 No. 366

for Rs. 50,000 "in the meantime", referred the question to the Govt of India, by whom it was decided that money security

\+ Mil. G.O. 21st Nov/63 No. 3724

should not be required from the Commissioned Officers of the Clothing Dept.

Looking to these facts, the Govt. will think that Colonel Silver may fairly expect a refund of the Stamp Duty of Rs 220, paid by him on the Bond in question; and this refund is accordingly sanctioned. The Govt do not see

that

No. 52

er of Military Finance, Fort St. George,

ry to Government, Military Department, Fort Saint George.

From the Controller Mily Finance

Dated 24 Dec 1863.

Received 6 Jany 1864

1225

that this case, the circumstances
of which are so peculiar, would
form a very inconvenient
precedent, as supposed
by the Controller.—

Fort St. George
16th Jan. 1861.

1 Copies Letter Military Dept. Dated 18 Jany
14 — Bo. of Revs
3 — Asstt Genls
3 — Civil Paymasters