Proceedings of the Madras Government, Revenue Department,
3rd August 1871.

No. 12. Read the following Proceedings of the Madras Government in the Public Department:—

Communicating Financial Proceedings of Government of India regarding the control which it is necessary that Government in the Financial Department should exercise over the indents, estimates, and accounts of stores procured from Europe.	(Here enter 2nd August 1871, No. 1,168.)

No. 13. ORDER THEREON, 3rd August 1871, No. 1,330.

Miscellaneous.

COMMUNICATED to the Board of Revenue.

(True Extract.)

(Signed) A. DEC. SCOTT, Captain, R.E.,
Under-Secy., P.W.D.,
for Secy. to Govt.

Public Department.

Proceedings of the Madras Government
Read the following:

No. 1267.

GOVERNMENT OF INDIA.

FINANCIAL DEPARTMENT.

ACCOUNTS.

SIMLA, THE 21ST JULY 1871.

READ—

The following documents regarding the control which it is expedient that the Government of India in the Financial Department should exercise over the indents, estimates, and accounts of stores procured from Europe.

For the second time—

Financial Resolution No. 3381, dated 9th September 1870, directing the assumption of that control by the Government in the Financial Department, and requesting the Military Department to state what returns, estimates, and accounts of stores can conveniently be supplied to the Financial Department.

For the first time—

Military Department's No. 763, dated 20th April 1871, forwarding a report from the Controller of Military Accounts, Bengal, giving the required information respecting the returns or data which can be supplied for checking indents for Europe stores for the Bengal Presidency.

Military Department's No. 209, dated 8th May 1871, forwarding reports which furnish similar information for the Madras and Bombay Presidencies, together with a report on the papers by the Account Branch, Military Department.

Read also—

Military Department's No. 764, dated 20th April 1871, forwarding an extract of a letter from the Controller of Military Accounts, Bengal, enquiring whether indents for Europe stores should be priced, in addition to being accompanied by statements or estimates which show the probable cost of the stores, and whether the indents should be submitted in triplicate.

OBSERVATIONS.—The Governor General in Council observes that the expenditure in England for stores has been as follows:

	1866-67.	1867-68.	1868-69.	1869-70.	1870-71, Revised Estimate.	1871-72, Budget Estimate.
	£	£	£	£	£	£
Stamps, Post Office, Stationery, and Miscellaneous Civil	115,124	71,890	102,301	171,193	131,112	131,289
Mint, Marine, and Telegraph ..	389,551	248,279	376,131	128,023	223,723	316,559
TOTAL, CIVIL ...	504,675	320,169	508,132	299,216	355,845	447,849
Military ...	556,603	732,663	872,621	878,101	981,319	824,720
Public Works, Ordinary ...	96,598	76,045	113,160	236,199	189,260	72,950
	1,157,876	1,118,877	1,584,213	1,411,117	1,171,324	1,345,519

As the Home expenditure for Public Works stores forms a deduction from the gross allotment in India for public works, it is kept in view by the Public Works Department under a procedure which it is not necessary to alter. Of the remaining expenditure, the larger part is in the Military Department; and, on the information furnished by that Department, the Governor General in Council is pleased to pass the following orders respecting indents, estimates, and accounts of civil and military stores.

2. Indents upon England for stores for provincial services should be kept distinct from those for imperial services. The indents on the latter services are no longer to be sent direct to the Secretary of State: they should be submitted, by the Local Government or Department concerned to the Government of India, in the administrative Secretariat to which the indents appertain, for transmission by it to the Financial Department within two weeks before the time for sending the indents from India to the Secretary of State. The indents should be submitted in triplicate, unless a fourth copy be required by the administrative Secretariat to which they appertain.

3. The indents should be priced; the rate of each article being shown, together with the values of the quantities indented for, and of those due on former indents. A revised Form A of indent is attached to this resolution. A memorandum should be attached to the indent of the value of articles due on former indents for which no fresh requisition is made in the new indent.

4. The check upon indents will consist principally in seeing that they conform with the "established proportion." If special or new articles are indented for, the necessity for the requisition should be explained in the column of remarks, or in the transmitting letter.

5. In the remarks of the Account Branch, Military Department, it is urged, in accordance with a previous suggestion in paragraph 22 of a memorandum by the Controller General of Military Expenditure, No. 1118½, dated 8th March 1870, that heads of departments should be required to submit, for the formal sanction of Government, carefully-revised established proportions, based on a supply for two, three, or four years (whichever period may have been authoritatively prescribed) of stock required to be *in reserve* and *in use*, and that on this revised scale being sanctioned, no alteration in it should be made without the authority of Government.

6. It has been ascertained, however, that stores in possession of the troops are not taken into account in ordnance indents, which in "the balance in store in India" do not include articles in use in regiments; and it is overlooked that the established proportion is not a fixed unvarying quantity, but one which must change yearly, with the annual expenditure, it being based generally on the average of two and-a-half or three years' actual expenditure. In the Clothing Department the established proportion is regulated indeed, not by the actual expenditure, but by the scale of clothing issuable to the soldier in two years; but even then the result for the established strength must vary with the annual fluctuations or alterations in that strength. In the Ordnance Department the established proportion of many articles obtained from England is a two and-a-half years' supply or expenditure, but in some cases it is based on the quantities *in use*, or on the strength of the army to be supplied. Thus the established proportion of small arms is 50 per cent. the number in use, and that of small arm ammunition

is so many rounds per man; the proportion of every article of equipment in use, *or in possession of the troops*, being definitely fixed by Government. In other Departments, the established proportion appears to be as follows:

In the Medical Department	...	...	2½ years
„ Marine „	...	...	2 „
„ other Departments	...	...	2 to 3 years

of the ordinary expenditure. The mode of reckoning this ordinary expenditure is not uniform. In the Marine and Medical Departments it would appear that one year's expenditure is taken, and is multiplied by two or two and-a-half years for the established proportion; whereas it is stated, in a despatch of the Secretary of State, No. 389, dated 11th November 1869, that the annual expenditure, when it forms the basis of the established proportion, should be "the average of the previous three years." This reckoning should be uniformly observed.

Mint and Currency Proceedings Nos. 1 to 3, January 1870.

7. In the instances in which the standard of a two-and-a-half or three years' supply dates from a time before the introduction of railways, it should admit of reduction, because formerly the despatch of English stores from the Presidency towns to the interior, awaited, in Bengal, the opening of the rivers; and in the Madras and Bombay Presidencies, also, it must have been affected by the monsoons; whereas now there is transit by railway, independent of the seasons, not merely for fresh stocks arriving from Europe, but for the surplus stock of one magazine or store which may be required in another. The established proportion might also be reduced in the degree that it allows a margin for avoidable delay in the execution of indents, and in the shipment of stores, and for slow transit to India. The Military Department, and the Telegraph and other Civil Departments, should accordingly report through the proper channel to what extent the established proportion of two and-a-half or three years' supply of articles of ordinary consumption, can be reduced on account of the facilities of inland transit by rail, and on the assumption of four months' time for the execution of indents and the shipment of stores, and two months to six months for their transit to India through the Suez Canal, or *viâ* the Cape.

8. The existing system provides for the proper accounting for stores, and for the audit of store expenditure; but it does not appear that the annual expenditure of stores is reviewed in any form which can present to the Government an intelligent view of the year's transactions, and afford assurance that the expenditure has been conducted with economy. Such an annual report should be submitted in future to the Financial Department, through the proper administrative Secretariat of the Government of India.

9. A review of this kind should be in sufficient detail to show the amount, and the increase or decrease, of expenditure of each of the several classes of stores; the causes of increase or decrease in the expenditure of the several articles should be explained, and their cost compared with that of previous years. Instances in which the price of the more important articles obtained from England or purchased locally has exceeded former prices should be carefully noted, and also whether any extra expense or any considerable inconvenience has been incurred from unnecessary delay in supplying stores indented for on England. If there is any reason to believe that the cost of any article has been higher than it would have been if procured in some other way, it should be stated. The additional expenditure caused by the

Accordingly the Secretary of State will again be asked to accept a priced annual indent, as the annual estimate of expenditure for stores in each coming year.

17. For the present year, the estimates of stores required in 1872-73 (that for the Stationery Department, Bengal, has been already forwarded to the Home Government) should be submitted to the Financial Department not later than 25th August, so that they may reach England by the 1st October. The estimates from the Madras and Bombay Presidencies, hitherto sent direct to the Secretary of State, should be submitted in proper time, through the Government of India.

18. In a financial circular No. 3400, dated 31st December 1869, and in No. 3685, dated 30th September 1870, the Local Governments and the Civil Account Department were requested to append to the Annual Budget Estimates a statement of the value of imported stores likely to be paid for in the new year. This estimate will be discontinued under the system now established; but the several Civil Store Departments should submit estimates of their requirements for 1872-73, through the Local Government, for transmission to the Secretary of State, within the time prescribed in the preceding paragraph.

19. It is stated in the correspondence from Madras, which has been forwarded by the Military Department, that regimental necessaries are included in the annual indents for stores from England. This being the case, the expenditure for those necessaries is included, doubtless, in the Home charges for military stores. But regimental necessaries are paid for by the men, and any supplies for canteens are paid for by regiments. It should be considered, therefore, in the Military Department, whether, under the present system, there is sufficient security that every shilling paid for regimental necessaries is recovered in India, though it is written off in England as a final charge, or whether it is not preferable, as in the case of supplies of imported stores for Local Funds, Port Funds, &c., that the purchases in England of regimental necessaries should be treated as remittances to India with the view of their being held on the books of the Military Department against the regiments concerned, until recovery of the demand.

ORDER.—Ordered, that a copy of this Resolution be sent to the Military Department, with the documents received from that Department; to the Home and Public Works Departments and the Department of Agriculture, Revenue, and Commerce; to the several Local Governments; the Comptroller General; the Head Commissioner of Paper Currency; the several Local Accountants General and Deputy Accountants General in independent charge; and the Mint Master, Calcutta, for information and guidance.

Also, that it be reported to the Right Hon'ble the Secretary of State for India.

R. B. CHAPMAN,
Secy. to the Govt. of India.

FORM A.

Annual Indent on England for stores required in the Ordnance Department.

Names of Stores.	Estimated proportion.	How established proportion is calculated.	Quantity in Store on	Quantity due on previous indents.	Number or quantity now indented for.	Rate. £	s.	d.	Per.	Values: Of quantity due on previous indents £	s.	d.	Values: Of quantity now indented for £	s.	d.	Remarks.
Rifles, long, Snider ...	13,000	50 per cent. of rifles in possession of troops.	8,000	2,000	8,000											To complete established proportion.
Muskets, S. B., Cantabulary ...	10,000	30 per cent. of muskets in possession of police.	2,000	.....	6,000											1,000 to complete proportion, and 5,000 to arm Bengal Police as per Military Department, No. dated
Tools, handhamamers ...	1,000	25 years' supply calculated on average of last three years.	600	100	700											To complete proportion, reckoning that 400 out of the 600 in store will be expended before 700 indented for arrive.

Fébr 1871. Dépt.

~~GOVERNMENT OF INDIA~~

~~FINANCIAL DEPARTMENT.~~

No 2455

To The Madras Govt

Public Dept

Fort St George

~~No. 1201.~~

2 Augt

Dated ~~Simla, 21st July~~ 1871.

Received 30th Augt

Communicates the Act of Govr

4 Public Boards & Accounts

5 Subordinate Departments

Communicates Instns. issued by Govt of India re garden plate contributed by Govt & necessary that Govt should be furnished with Estimates & Accounts, Estimates from Europe. —

No 1390 - 5 August 1871

Secretary