New No. Sectt. I (i)-1—Old No. M.R.O. 1—10,006—10-6-68.

(1) Number of pages 10

(2) Date of repair 8.1.1970

(3) Initials of the Referencer

MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

DEPARTMENT

G.O. No. / B.P. No.	1905	Press / Mis.
Dated	12.8.1876	196 .

Not to be folded or roughly handled

Proceedings of the Madras Govt. Revenue Depart.
Read the following.

1905/1

Proceedings of the Madras Government, Financial Department,
11th August 1876. *No.* 1449.

Financial Crisis.

No. 96. *Read the following Proceedings of the Government of India, in the Financial Department, dated Simla, 31st July* 1876, *No.* 1967 (*Accounts*):—

Read again—

The Estimates of the Revenues and Expenditure of British India in 1876-77.

RESOLUTION.—The embarrassment occasioned to the finances of this Empire by the present disturbance in the relative values of gold and silver has, for some time past, been under the anxious consideration of the Viceroy and Governor-General in Council; and His Excellency has been led by such consideration to the conclusion that it is now advisable to notify to the Local Governments the wishes of the Government of India in regard to those preliminary measures of retrenchment and economy which are necessitated by the immediate exigencies of the financial situation.

2. It was a part of the Budget arrangements of this year that the Secretary of State in Council should borrow, in England, £2,640,000 for the construction of Extraordinary Public Works. An incidental effect of that arrangement was to reduce, by the above-mentioned sum, the amount that must otherwise have been raised by bills for the supply of the Home Treasury, and, according to the rate of exchange assumed in the estimates, *viz.*, Rupee 1—1*s.* 8½*d.*, to diminish the entry under *Loss by Exchange*, and improve the nominal balance of the year, by Rupees 45,00,000. Notwithstanding this and other advantages the surplus revenue of the year was estimated at only Rupees 14,40,000.

3. It was calculated, at that time, that the supply of £13,660,000 to the Home Treasury by bills would cost Rupees 15,99,20,000; and accordingly the sum of Rupees 2,33,20,000 was provided under the adjusting head *Loss by Exchange*. Subsequently however to the publication of the estimates, the Secretary of State found it convenient to increase the amount borrowed in England to £4,000,000. The incidental relief to the estimates of the year from this source would thus be, if the rate of exchange could be calculated as before, Rupees 68,30,000. The relief obtained may now be estimated at a much larger sum. In judging of the financial position and future prospects of the Government of India it is necessary to bear this fact in mind.

4. The sum to be raised in England having been thus increased, the amount to be supplied to the Home Treasury, by bills, during the year is now reduced to £12,300,000, of which £3,344,134 has been obtained to date, by the sale of bills for Rupees 4,06,10,000, the adjustment entered under *Loss by Exchange* being already Rupees 71,68,660.

5. It is at present impossible to frame any approximate estimate of the cost, in rupees, of supplying to the Home Treasury the sum of £8,956,446, which still remains to be raised by bills; but the Government of India cannot now expect that the whole entry under *Loss by Exchange* will not be largely in excess of the grant.

6. Moreover, the prospects of the Customs Revenue are, by reason of the adverse exchange, unfavorable; the charge for interest will be increased for the

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increased amount borrowed in England; and the cost of the unprecedentedly large opium crop in Bengal is expected to cause the expenditure under *Opium* to exceed the grant by about Rupees 50,00,000; although there will, of course, be a corresponding addition to the opium in reserve.

7. Altogether, the financial prospects give cause for such grave anxiety that the Governor-General in Council deems it necessary to invite the earnest co-operation of the Local Governments and Heads of Departments in reducing, by every possible means, the threatened deficit.

8. The authorities at the head of each department, whether administered by the Imperial or Local Governments, should, therefore, take prompt measures to stop all outlay of public money which is not absolutely necessary; or to which the Government is not committed; or the discontinuance of which will not cause disproportionate loss and waste. An early report should be made to the Government of India in the Financial Department of the measures adopted for giving effect to these instructions, and of the saving which may be expected under each Government and in each Department. The Governor-General in Council will be unable to sanction any new expenditure that is not indispensable.

9. The financial disorder which demands these measures is exclusively due to the recent rapid fall of the value of silver in relation to gold, and the consequent enhancement of the cost in silver of all payments in gold. The Governor-General in Council is not prepared, at present, to say what measures the Government of India may be compelled to take, in order to permanently restore the financial equilibrium: but, pending the adoption of such measures, it is incumbent on His Excellency in Council to warn all Local Governments that he may be reluctantly compelled to call upon them for sacrifices which, if requisite for the public welfare, those Governments will, he feels assured, be ready to accept in the loyal and generous spirit evinced by them on previous occasions of great financial pressure.

10. The Governor-General in Council has resolved, for the present, largely to reduce the expenditure on Extraordinary Public Works, and, in regard to many of the measures which may be necessary to effect that object, he confides in the valuable assistance of the Local Governments.

11. Moreover, the means at the disposal of the Government of India for granting loans to Municipal and other Corporations, and to Native States or private persons are, so long as the present state of things lasts, likely to be limited; and therefore no application for such loans should be made or forwarded by any Government officer, except for purposes which admit of no postponement.

ORDERED that this resolution be distributed for information and guidance—
To the several Departments of the Government of India;
To the several Local Governments and Administrations;
To the Comptroller-General and the several Accountants-General and Deputy Accountants-General in independent charge;
Also to the several Chiefs of the Departments administered by the Government of India in the Financial Department.

(Signed) R. B. CHAPMAN,
Secy. to the Govt. of India.

Proceedings of the Madras Government, Financial Department,
11th August 1876. *No.* 1449.

1905/2

No. 97. ORDER THEREON, 11th August 1876, No. 1449.

Ordered to be communicated to the Revenue, Military, and Public Works Departments, with the request that the possibility of reducing expenditure, whether Imperial or Provincial, by promptly stopping *all* outlay

which is not absolutely necessary,
or to which the Government is not committed,
or the discontinuance of which will not cause disproportionate loss and waste

may receive immediate and earnest attention, and be required to form the subject of very early special report by all heads of subordinate departments.

2. No new expenditure which is not indispensable will be sanctioned, and no application for loans to Municipal or other Corporations, or to Native States or private persons, will be entertained except for purposes which admit of no postponement.

3. The Accountant-General will at once place himself in communication with the Revenue Board in view to determining how far, with reference to the season and other circumstances, the estimates of revenue in the several branches are likely to be realized.

4. The Inspectors-General of Police, Jails, and Registration, the Director of Public Instruction, and the Superintendent of Stamps and Stationery, will closely scrutinize the details of their estimates of charges and report on or before the 25th instant in what direction and to what extent expenditure can be suspended or postponed without altogether disproportionate detriment to the public service.

5. The Governor in Council relies on the loyal endeavours of all public officers to assist the Supreme Government to the utmost in their efforts to relieve the financial pressure, and to restore equilibrium.

(True Extract.)

W. HUDLESTON,
Chief Secretary.

Order thereon 12 August 76 No 1905.
Communicated to the Board of Rev. Director of Rev. Settlement, Supdt of Rev. Survey & Conr of Forests for report on the points noted within the date mentioned.
Communicated to the Commissioner of the Nilgris who will report whether any reduction can be effected in the charges as estimated in the sanctioned Budget for the Cinchona plantations with reference to para 1.
/True Extract/
SD/ D. J. Carmichael
Secy to Govt

To the Revenue Department.
,, the Military Department.
,, the Public Works Department.
,, all Heads of Departments.
,, the Presidents of all Municipalities.

Exd. J. Wright.

To the B of Revenue
- Dir of Rev Settlt.
- Supdt Rev. Survey.
- Conr of Forests
- Commissioner of the Nilgris.

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Govt. of India.

FINANCIAL.

To

The REVENUE DEPARTMENT,

&c., &c., &c.

Dated August, 1876.

Answd

Rcvd.

C. O., 11th August 1876, No. 1449.

AUGUST.

Nos. 96-97.

Financial Crisis.—Orders passed on a Resolution of Government of India urging the utmost economy in all expenditure owing to the financial crisis occasioned by the disturbance in the relative values of gold and silver.

Mutt Rec'd 10/12 Aug/76

No. 1967.

GOVERNMENT OF INDIA.

FINANCIAL DEPARTMENT.

ACCOUNTS.

SIMLA, THE 31ST JULY 1876.

Read again—

The Estimates of the Revenues and Expenditure of British India in 1876-77.

RESOLUTION.—The embarrassment occasioned to the finances of this empire by the present disturbance in the relative values of gold and silver has, for some time past, been under the anxious consideration of the Viceroy and Governor General in Council; and His Excellency has been led by such consideration to the conclusion that it is now advisable to notify to the Local Governments the wishes of the Government of India in regard to those preliminary measures of retrenchment and economy which are necessitated by the immediate exigencies of the financial situation.

2. It was a part of the budget arrangements of this year that the Secretary of State in Council should borrow in England £2,640,000 for the construction of Extraordinary Public Works. An incidental effect of that arrangement was to reduce, by the above-mentioned sum, the amount that must, otherwise, have been raised by bills for the supply of the Home Treasury, and, according to the rate of exchange assumed in the estimates, *viz.*, Re.1=1*s.*8½*d.*, to diminish the entry under *Loss by Exchange*, and improve the nominal balance of the year, by Rs.45,00,000. Notwithstanding this and other advantages, the surplus revenue of the year was estimated at only Rs.14,40,000.

3. It was calculated, at that time, that the supply of £13,660,000 to the Home Treasury by bills would cost Rs.15,99,20,000; and, accordingly, the sum of Rs.2,33,20,000 was provided under the adjusting head *Loss by Exchange*. Subsequently, however, to the publication of the estimates, the Secretary of State found it convenient to increase the amount borrowed in England to £4,000,000. The incidental relief to the estimates of the year from this source would thus be, if the rate of exchange could be calculated as before, Rs.68,30,000. The relief obtained may now be estimated at a much larger sum. In judging of the financial position and future prospects of the Government of India, it is necessary to bear this fact in mind.

4. The sum to be raised in England having been thus increased, the amount to be supplied to the Home Treasury, by bills, during the year is now reduced to £12,300,000, of which £3,344,134 has been obtained to date, by the sale of bills for Rs.4,06,10,000, the adjustment entered under *Loss by Exchange* being, already, Rs.71,68,660.

5. It is at present impossible to frame any approximate estimate of the cost, in rupees, of supplying to the Home Treasury the sum of £8,956,446, which still remains to be raised by bills: but the Government of India cannot now expect that the whole entry under *Loss by Exchange* will not be largely in excess of the grant.

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6. Moreover, the prospects of the customs revenue are, by reason of the adverse exchange, unfavorable; the charge for interest will be increased for the increased amount borrowed in England; and the cost of the unprecedentedly large opium crop in Bengal is expected to cause the expenditure under *Opium* to exceed the grant by about Rs.50,00,000; although there will, of course, be a corresponding addition to the opium in reserve.

7. Altogether, the financial prospects give cause for such grave anxiety that the Governor General in Council deems it necessary to invite the earnest co-operation of the Local Governments and Heads of Departments in reducing, by every possible means, the threatened deficit.

8. The authorities at the head of each department, whether administered by the Imperial or Local Governments, should, therefore, take prompt measures to stop all outlay of public money which is not absolutely necessary; or to which the Government is not committed; or the discontinuance of which will not cause disproportionate loss and waste. An early report should be made to the Government of India in the Financial Department of the measures adopted for giving effect to these instructions, and of the saving which may be expected under each Government and in each Department. The Governor General in Council will be unable to sanction any new expenditure that is not indispensable.

9. The financial disorder which demands these measures is exclusively due to the recent rapid fall of the value of silver in relation to gold, and the consequent enhancement of the cost in silver of all payments in gold. The Governor General in Council is not prepared, at present, to say what measures the Government of India may be compelled to take, in order to permanently restore the financial equilibrium; but, pending the adoption of such measures, it is incumbent on His Excellency in Council to warn all Local Governments that he may be reluctantly compelled to call upon them for sacrifices which, if requisite for the public welfare, those Governments will, he feels assured, be ready to accept in the loyal and generous spirit evinced by them on previous occasions of great financial pressure.

10. The Governor General in Council has resolved, for the present, largely to reduce the expenditure on Extraordinary Public Works, and, in regard to many of the measures which may be necessary to effect that object, he confides in the valuable assistance of the Local Governments.

11. Moreover, the means at the disposal of the Government of India for granting loans to Municipal and other corporations, and to Native States or private persons are, so long as the present state of things lasts, likely to be limited; and, therefore, no application for such loans should be made or forwarded by any Government officer, except for purposes which admit of no postponement.

ORDERED, that this Resolution be distributed for information and guidance—

To the several Departments of the Government of India;
To the several local Governments and Administrations;
To the Comptroller General and the several Accountants General and Deputy Accountants General in independent charge;
Also to the several Chiefs of the Departments administered by the Government of India in the Financial Department.

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

1905/9

Financial Department.

PROCEEDINGS of the MADRAS GOVERNMENT.

READ the following ~~letter~~ Reso-
lution of the Government of India, Fin. Dept.,
31st July 1876, No. 1967.

Order thereon, Ootacamund, 11 August 1876.
No. 1149.

Ordered to be communicated to the Revenue, Military and Public Works departments with the request that the possibility of reducing expenditure whether Imperial or Provincial, by promptly stopping all outlay

— which is not absolutely necessary.

or

— to which the Government is not committed.

or

— the discontinuance of which will not cause disproportionate loss and waste

may

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may receive immediate and earnest attention, and be required to form the subject of very early special report by all heads of subordinate departments.

2. No new expenditure which is not indispensable will be sanctioned, and no application for loans to Municipal or other Corporations or to Native States or private persons will be entertained except for purposes which admit of no postponement.

3. The Accountant General will at once place himself in communication with the Revenue Board in view to determining how far, with reference to the season and other circumstances, the estimates of Revenue in the several branches are likely to be realised.

The

4. The Inspector General of Police, Jails, and Registration, the Director of Public Instruction, and the Superintendent of Stamps and Stationery, will closely scrutinize the details of their estimates of charges, and report on or before the 25th instant in what direction and to what extent expenditure can be suspended or postponed without altogether disproportionate detriment to the public service.

5. The Governor in Council relies on the loyal endeavours of all public officers to assist the Supreme Government to the utmost in their efforts to relieve the financial pressure, and to restore equilibrium.

/True Extract/

[illegible]

Chief Secretary.

To

The Revenue Department.

Printed copy will follow.

(3) Initials of the Referencer

Pro. Assurance Dept

To

Dated 11th
Rec'd 12 } Aug 1870, No. 4[illegible]

Nos.

Forms ordered to be
sent by explanation
or send to obtaining
Assurance Companies
Registered 12 Aug 1870

Ans 1905

Communicated to the Board of Trade
Director of Assurance Settlements
Superintendent of Assurance Branch
Commissioners of Inland Revenue Branch
Comptroller of Stocks for refund
on the policies noted within the date
mentioned.

1 For the Queen's Dep Accountant Gen 12 Aug
1 The Director of Accounts
1 The Superintendent of Assurance
1 The Commissioners of Inland Revenue

To Commissioners Wages.

Should the Commissioners of the Inland Revenue require any reduction on the Duty on the charges as certified in the Annual Budget for the Guidance Book fill in the Duty to be paid with Assurance to pass 1.

New No. Sectt. I (i)-1—Old No. M.R.O. 1—10,006—10-6-68.

(1) Number of pages _____

(2) Date of repair _____

(3) Initials of the Referencer _____