

# COLLECTION OF PAPERS

RELATING TO THE

## METHODS OF SELECTION FOR GAZETTED APPOINTMENTS IN THE FINANCIAL DEPARTMENT OF THE GOVERNMENT OF INDIA

AND

DEPARTMENTS SUBORDINATE THERETO.



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### I.—FINANCIAL DEPARTMENT.

No. 5126, dated 4th December, 1857.

No. 1.] RESOLUTION—By the Government of India, FINANCIAL DEPARTMENT.

Read the undermentioned papers on the subject of the Finances of India, the revision of Salaries and Establishments, and the formation of a General Department of Account, including the Offices of Audit, Pay and Account, in the several Presidencies as well as the Punjab :—

Financial Despatch from the Honourable the Court of Directors, No. 48 of 1856, dated 17th June.

Despatch from this Government, to the Honourable Court, in reply, No. 173, dated 12th December 1856.

Despatch from the Honourable Court, in reply, No. 62 of 1857, dated 2nd September. Letter to the Accountant-General to the Government of India, No. 4813, dated 14th November 1857.

Letter from the Accountant-General, in reply, No. 1552, dated 25th idem.

RESOLUTION.—The Right Honourable the Governor General in Council remarks that the Honourable Court, in their Despatch of the 17th June, 1856, called the attention of this Government to various important questions connected with the comparative condition of the Indian Finances, past and prospective, the causes of a continued increase of charge, the most suitable means of reducing the expenditure within the income, and the importance of adopting measures for reframing the Offices of Account at the subordinate Presidencies, in order that a succession of Officers conversant with the business of accounts to the higher posts in the Department might be secured and appointments to vacancies regulated accordingly.

2. This Government, in communicating to the Honourable Court the result of its deliberations on the several points adverted to, recommended that, if the attempt that was then being made to introduce the Bengal system of account at the other Presidencies should be successful, the Offices of Account (including the Offices of Sub-Treasurer and Civil Auditor) at all the Presidencies be formed into a separate Department under the Government of India, to which all nominations shall be made by the Governor General in Council, and in which an interchange of the Officers of the several Governments shall be permitted whenever occasion may require, it being observed that the Officers of the Department, under such a system, would obtain fair promotion in the Depart-

ment, and that it would be more likely than any other to ensure a general uniformity in the accounts.

3. The Honourable Court's observations and orders on the above-mentioned communication have now been received.

\* \* \* \* \*

7. The only other question noticed by the Honourable Court, on which the orders of this Government are necessary, is the formation, as suggested by this Government, of a General Department of Account.

8. The plan has been approved of by the Honourable Court, and as the system of Accounts at all the Presidencies has already been ordered to be assimilated, it is to be considered in what manner the changes now sanctioned may best be carried out.

9. The object in view being to secure at all times a succession to the higher Offices of Account (including Treasury Account and Audit) of persons especially trained for the duties and thoroughly conversant with this branch of public business, who shall be qualified to be drafted as occasion may require to the several Presidencies, the Governor General in Council is of opinion that it is necessary that the prospect of remuneration should be somewhat better than in the general line of the service, and that the salaries should be so graduated as to give a fair average of promotion, so as to ensure as far as possible that those entering the Department should continue in it.

10. His Lordship in Council is also of opinion that it is necessary that it should be distinctly understood that covenanted officers who may enter the Department in future, will, as a rule, be expected to remain in it during their whole service; and that it should be ascertained by the Local Governments, in giving effect to these orders, whether the officers now in the Department are willing to remain in it, and that if any officer should not be willing to remain in it, the name of such officer should be reported for the information of the Governor General in Council.

11. The qualifications specially needed in the officers composing a General Department of Account and Finance in India, in addition to the ordinary acquirements of proficiency in book-keeping and the science of account, are the knowledge of Political Economy in its application to this country and a practical acquaintance with the habits of the people and the working of the Revenue systems of the country.

12. Looking upon Mofussil experience and early contact with the people as an essential qualification, under ordinary circumstances, for the successful management of public business in this country, His Lordship in Council resolves that no officer shall be permitted to enter the General Department of Account under five years' standing, when a young officer may be expected to have gained sufficient experience for the purposes of the Department, especially if he has employed his time with the intention of entering it.

13. Junior Civil Servants will be allowed to register their applications for employment in the General Department of Account, after the above-mentioned period of service as vacancies occur, when the applicants will be subjected to an examination in book-keeping, the working of the Revenue system of the Presidency to which they belong, and the management of District Treasuries, and the examination papers, together with reports from the Local Governments on the general aptitude for business of the several candidates, will be forwarded for the consideration of the Governor General in Council, on the understanding that the officer who appears best qualified for the duties of the Department will, as a rule, be selected; but that in cases of equality regard will be had to the number of officers previously taken into the Department from the several Presidencies.

14. When once the Department has been entered, the officers will be expected to remain in it throughout their service. They will be transferred

from Presidency to Presidency at intervals of not less than two years, the convenience of parties being consulted as much as possible, but changes will be so regulated that officers may acquire experience successively of all parts of the country before arriving at the higher grades (amended, *vide* Resolution, dated 26th March 1858, No. 1718).

15. Promotions will be regulated with due regard to seniority and merit, mere seniority not being in any case held to give a title to promotion (amended, *vide* Resolution, dated 26th March 1858, No. 1718).

16. As difficulty may arise in connection with the provision of furloughs and absence on medical certificate, His Lordship in Council thinks the difficulty can best be met by temporary promotions and the admission of young men on probation to succeed to permanent appointments on the occasion of regular vacancies.

17. His Lordship in Council considers that the appointments of Accountant and Civil Auditor in the Punjab, at present held by uncovenanted officers, ought to be placed on a higher footing, and that, as a general rule, they should be held by covenanted officers. He thinks that they are of sufficient importance to require such a change, and that the measure can be effected not only without additional expense, but with a saving to Government and without detriment to the interests of the Department, if the following scale of salaries, graduated with reference to the responsibilities of the several appointments, is adopted; incumbents being allowed to retain the salaries now drawn by them so long as they remain in their present appointments:—

	Present salaries.	Proposed salaries.	
	₹	₹	
Accountant General to the Government of India . . . . .	3,500	3,500	
Ditto ditto Bombay . . . . .	3,333	3,000	
Ditto ditto Madras . . . . .	3,000	3,000	
Sub-Treasurer, Fort William . . . . .	3,000	3,000	
Accountant to the Government of the North-Western Provinces . . . . .	3,000	2,500	
Accountant to the Government of Bengal . . . . .	3,000	2,500	
Civil Auditor for India and Bengal . . . . .	2,500	2,500	
Sub-Treasurer at Madras . . . . .	2,000	2,000	
Ditto Bombay . . . . .	2,500	2,000	
Civil Auditor at Madras draws a consolidated salary of ₹26,000 per annum as Civil Auditor and Superintendent of Stamps . . . . .	2,166	2,000	
Civil Auditor at Bombay . . . . .	2,000	2,000	
Accountant in the Punjab (Uncovenanted) . . . . .	700	1,500	Covenanted.
Civil Auditor in the North-Western Provinces . . . . .	1,500	1,500	
1st Assistant Accountant General to the Government of India . . . . .	1,500	1,500	
Civil Auditor in the Punjab (Uncovenanted) . . . . .	700	1,200	Covenanted.
1st Assistant Accountant General at Madras . . . . .	1,250	1,200	
1st Ditto at Bombay . . . . .	1,250	1,200	
2nd Ditto to the Government of India . . . . .	1,000	1,000	
2nd Ditto at Bombay (Covenanted) . . . . .	850	800	Uncovenanted.
2nd Ditto at Madras ( ditto ) . . . . .	850	800	Do.
3rd Ditto to the Government of India (Uncovenanted) . . . . .	800	800	Do.
Assistant Sub-Treasurer, Fort William (Uncovenanted) . . . . .	700	700	Do.
Assistant Civil Auditor, ditto ( ditto ) . . . . .	700	700	Do.
Ditto at Bombay ( ditto ) . . . . .	700	Abolished	
* 3rd Assistant Accountant General, Madras . . . . .	700	Do.	
* Assistant to Accountant, North-Western Provinces . . . . .	200	Do.	
Total . . . . .	43,399	40,900	
Deduct proposed . . . . .	40,900		
Saving per mensem . . . . .	2,499		

\* *Vide* Financial Resolution, dated 26th March 1858.

18. His Lordship in Council has attached the largest salary to the appointment of Accountant General to the Government of India, because it is by far the most important of the whole. The business in it is heavier and more complex than in any other. The Accountant General has the supervision of all loan transactions; he has a large number of Treasuries and a greater mass of Military Accounts than either of the other Accountants General; and he has, in addition, considerably heavier responsibilities as a member of the Calcutta Mint Committee and a Director of the Bank of Bengal.

19. On somewhat similar grounds His Lordship in Council has assigned a higher scale of pay to the Accountants General at Madras and Bombay than to the Accountants of Bengal and the North-Western Provinces, who have less to do with loan transactions than the Accountants General at Madras and Bombay, and have no concern with Military Accounts or with Mint and Bank arrangements.

20. For the Sub-Treasurer at Calcutta, His Lordship in Council has fixed Rs3,000 a month with reference to the enormous amount of his receipts and disbursements and the heavy pecuniary responsibilities that are in consequence thrown upon him.

21. For the rest he believes that the salaries proposed are in fair proportion to the work and responsibilities of the several appointments; but on this point His Lordship in Council will be able to form a better opinion after reference to Mr. Ricketts, whose enquiries into the work of the Department must by this time have been completed, and from whom an opinion will be obtained as to the salaries to be allotted to the several appointments with reference specially to the objects the Honourable Court have in view in sanctioning the formation of a General Department of Account and the impossibility of securing the services of fitting men, unless some more than ordinary inducement to enter the Department is held out to them in the way of salary.

22. His Lordship in Council does not consider it desirable that the salary of any appointment in the General Department of Account, to be held by a covenanted officer, should be less than Rs1,000 a month, because the services of a qualified Civilian cannot be expected to be secured for less, and because he believes that the duties of the 2nd Assistants to the Accountants General at Madras and Bombay may very well be entrusted to uncovenanted servants. It is important that the 2nd Assistant to the Accountant General to the Government of India should be a covenanted officer, in order to give such an officer entering the Department a knowledge of the system under which the loan transactions of the Government are conducted.

23. His Lordship in Council desires that the transfer of the uncovenanted officers in the General Department of Account, from one Presidency to another, be regulated on the same sort of principle as is above provided for covenanted officers.

ORDER.—Ordered, that a copy of the above Resolution be forwarded, with a separate letter, to the Honourable Court for information and approval.

Ordered also, that a copy of paragraphs 1, 2, and 8 to 23 of the Resolution be forwarded to the Departments,\*

\* Foreign, Home, Military, Public Works.  
 † Bombay, Madras, Bengal, North-Western Provinces, Central Provinces, Straits Settlements.  
 ‡ Chief Commissioner, Punjab; Accountant General to the Government of India; Sub-Treasurer, Fort William; Civil Auditor, Fort William.

Governmentst and Officers‡ noted in the margin for information and guidance, with an intimation that the above arrangements will take effect from the 1st May 1858, and that modifications as to salaries, if necessary, will be communicated hereafter.

Ordered further, that a copy of paragraphs 1 to 5 and 7 to 23 of the Resolution be forwarded to the Commissioner for the revision of Civil salaries and

establishments throughout India, with a request that his enquiry, referred to in paragraph 5, may be extended in the manner indicated by the Honourable Court, and that his report may be expedited as much as possible, and, further, that the opinion required in paragraph 21 may be furnished without avoidable delay.

No. 14, dated 26th March, 1858.

No. 2.] NOTIFICATION—By the Government of India, FINANCIAL DEPARTMENT.

The following Extract from a Resolution passed by the Hon'ble the President in Council, No. 1681, dated the 26th March, 1858, is published for general information :—

“*Paragraph 5.*—In regard to the manner in which applications from Junior Civil Servants for employment in the General Department, of Accounts shall be made, His Honour in Council directs that such applications be made to the Local Governments, and that the Local Governments, until rules are issued in respect to the competitive examination, shall, in forwarding the applications to this Government, be required to state the appointments that have been held by the applicants, and the manner in which their duties have been performed.”

No. 84, dated 13th May, 1862.

No. 3.] RESOLUTION—By the Government of India, FINANCIAL DEPARTMENT.

Read again—

Financial Resolution, No. 5126, dated the 4th December, 1857, as published in the Notification, No. 13, of the 26th March, 1858.

Read also—

Financial Resolution, No. 8718, dated the 4th July, 1861.

RESOLUTION.—His Excellency the Governor General in Council observes that the object of the first of these Resolutions was to put an end to the practice, which had caused so much confusion and uncertainty in Indian Accounts and Estimates, of appointing Officers from the Civil Service indiscriminately to Offices of Account without previous training, and constantly changing them as their advance in the service entitled them to promotion.

The avowed object was to adopt measures for reframing the Offices of Account in the different Presidencies, so that “a succession of Officers, conversant with the business of Accounts, to the higher posts in the Department might be secured, and appointments to vacancies regulated accordingly.”

In like manner the object of the Resolution of the 4th July, 1861, was to regulate the constitution of the Financial Department of the Government of India, so that it might be in a position to perform duties which are described in the Resolution as “exactly similar to those performed by the Treasury in England.”

The new system of Audit and Account and of Budget Estimates, which has been introduced, makes it more than ever important that the objects contemplated by these Resolutions should be thoroughly carried out.

The foundation of this system is, that estimates of all expenditure should be framed and revised with such care as to enable the Government of India to hold all Local Governments, Departments, and Officers who spend public money, responsible for their observance; that accounts of all receipts and expenditure should be kept on an uniform system, so accurately and promptly as to enable the Government at any moment to know its real position and to check unauthorized outlay; and, finally, that the Financial Department Proper or Treasury should exercise a constant central supervision and control over all estimates and expenditure, the more necessary in India as the spending departments are not, as in England, subjected to the check of passing their estimates annually through the House of Commons.



Great reforms have already been effected in this direction, and no blame can be attached to the officers who have zealously co-operated in the arduous task of introducing a new system amidst the pressure of daily work and of financial difficulties.

At the same time, it is apparent that the object has not yet been attained of organizing a self-supporting machinery, which, as in England, can be depended upon to conduct the ordinary business of Financial Administration, without extraordinary efforts or constant risk of failure.

In the Financial Department Proper, which corresponds to the English Treasury, there are two situations only below the Financial Secretary, at salaries which admit of their being held by Europeans, while in the English Treasury there are below the Secretary a permanent Assistant Secretary, and five Divisions, each presided over by a "Principal Clerk," who is invariably a gentleman of great ability and experience, with a staff of four or five established Clerks under him, recruited commonly from gentlemen of University education, liberally paid, and rising according to merit and seniority to the higher posts.

It is not too much to say that there are in the English Treasury, and the principal departments connected with it, seldom less than five or six officers, who have been conversant with the details of every Budget for the last twenty years, and who would be perfectly competent to frame a very respectable Budget themselves, if suddenly called upon.

The result is a machinery which works with very little risk of disturbance from political changes in high offices, and which it is the more important to introduce in India, as the effect of climate and other causes makes frequent changes in the higher offices inevitable.

As regards the Department of Account, it is equally clear that, until a recent period, returns and estimates of Indian Finance have been notoriously untrustworthy.

The Parliamentary Returns of "Actual Expenditure" for the year 1859-60, while correct as to the actual entries in the books, were calculated to mislead to an extent of several millions in any attempt to form a judgment as to what had been the established expenditure proper to the year 1859-60, and whether that of 1860-61 showed any material decrease in comparison with it.

Again, the figures which have been accepted until very recently as showing the probable revenue and expenditure of the financial year 1860-61, corrected up to the close of the year, prove, on the completion of the "Actual" Returns for the year, to have understated the Revenue by £3,500,000, and the expenditure by nearly £1,500,000, thus misleading the Government as to its actual position to an extent of not less than £2,000,000, or more than the whole annual produce of the Income Tax.

Mistakes of this magnitude are now, it is believed, impossible, and the exertions of the Accountant and Auditor General are bringing us to a point where we may hope to have reliable returns of actual receipts and expenditure under each principal head of the Budget within two months at latest after the close of each month. But the maintenance even of present results is endangered by the increasing difficulty of obtaining officers of the "Covenanted Service," who are willing to abandon the regular line of service for the Financial Department, and of retaining those we have, without such frequent changes as necessarily greatly impair the efficiency of their offices.

An Office of Account is one which peculiarly requires a fixed head who thoroughly understands his work, and knows the character and capabilities of those who work under him.

Of twenty Officers now holding the principal Offices of Account and Audit, no less than fourteen are acting away from their own proper posts in temporary appointments. Under such circumstances it is creditable to them that they have been able to effect improvements at all, and it would be unreasonable to impute blame to individuals because they have not at once succeeded in obtaining the efficiency of the English system which has been the growth of centuries.

At the same time, it is evident that such efficiency can never be expected under a system which confines all the higher posts to men who have had no previous training, and necessitates constant changes of office to meet legitimate claims to advance of salary; while it is equally clear that it is not, and rarely can be, worth the while of a Covenanted Officer to attach himself to the Departments of Finance and Account unless he can commence by holding a high post, and be almost certain of changing to other posts still higher after a comparatively short period.

It is absolutely necessary, therefore, in framing any plan for the future organization of the Financial Department to proceed on the principle that all distinction between "Covenanted" and "Uncovenanted" Services must be set aside, except for a few of the very highest offices as that of Financial Secretary, and that the salaries and constitution of the Department must be regulated with a sole view to efficiency without distinction of service, profession, race or religion.

This change will, however, come very gradually, as it is not proposed to interfere with the salaries of appointments actually held by Covenanted Officers, or with existing prospects of promotion of such officers, where fit for it, except so far as these may be affected by the abolition of three Sub-Treasurerships which, under the arrangement with the Presidency Banks, have become superfluous and would have been abolished at any rate. And as it will take some years before a sufficient body of qualified Assistants can be trained up under the proposed new organization, the succession to the highest post (more especially those of Deputy Auditor and Accountant General, which it is for many reasons important to fill by Officers of weight and standing as well as of ability and experience), will for a long time continue necessarily to be held by the Covenanted Officers now attached to the Department.

If, however, any officer should consider that his fair prospects of promotion on the faith of which he joined the Department are interfered with by the abolition of the Sub-Treasurerships or otherwise, he will be allowed to re-join the general service at the first moment when he can be allowed to leave his post without positive inconvenience to the public service, and, in the meantime, if any Officer should be obliged for the service of the State to remain for a time in the Financial line when he would have wished to return at once to the General Service, the Government will be quite prepared to deal with each case separately in a liberal spirit.

In the meantime, although the change of system must be gradual and in some measure prospective, His Excellency the Governor General in Council thinks it desirable that the occasion of a change in the Financial Secretaryship, from which Mr. Lushington has retired after so many years of arduous and meritorious service, should not be lost, in order to announce clearly to the Officers of the Department and to the public the scheme for the future organization of Financial Administration which has been decided upon by His Excellency the Governor General in Council after mature consideration.

The Financial Department, including the Departments of Account and Audit, will constitute one Department, at the head of which will be the Financial Secretary.

The Military Finance Department, having special duties of professional as well as a Financial character, will remain, as at present, an independent Department, subject neither exclusively to the Financial or Military Departments, but corresponding with the Government through either, according as the subject is Financial or Military.

The Head of the Military Finance Department will submit Estimates and make his official communications on all subjects relating to Finance or requiring orders in the Financial Department through the Financial Secretary, so that the latter will be cognizant of what takes place, and able to remark upon it as far as it may affect Finance generally, though he will not be responsible for, or expected to interfere with, matters involving Military considerations, or affecting the sole and undivided responsibility of the Head of the Military Finance Department to the Supreme Government for all matters of Military Finance.

The division of Financial business into Departments begins below the Financial Secretary.

The Auditor and Accountant General of the Government of India is the Head of the important Departments of Account and Audit charged with the important duty of bringing the accounts of the Empire together, and, as a general rule, the Government will look to him as responsible for the correct performance of what may be called the mechanical duties of Account and Audit, as distinguished from Administrative matters which come within the province of the Financial Secretary.

This, it is believed, will not involve any change in existing practice.

The Accountant and Auditor General will continue, as at present, to sit with the Head of the Military Finance Department as an "Audit Board," for the purpose of considering questions where Civil and Military Finance are intermixed, of consulting each other on doubtful questions, and of preserving, as far as possible, uniformity of accounts and system.

In case of difference of opinion between the two members, the matter will thus be brought directly before the Government for its decision.

The duties and responsibilities of the Superior Officers being thus defined, it remains to settle the position of the various grades of *employés*.

These will, as at present, consist of two main divisions, *viz.* :—

- 1st.—Clerks doing the routine and mechanical work ;
- 2nd.—Assistants either doing, or in training for doing, the more important and responsible work.

No immediate change is proposed as regards the first division of Clerks. As regards the higher division of the Service corresponding to the "established Clerks" of the Treasury and other English Public Offices, the general denomination would be applied of "Assistants (according to their respective classes) in the Financial Department," in addition to the special denomination of any office they might happen to fill.

They will form one service, divided into four classes, *viz.* :—

Class I.—Salary R1,500 a month, rising by R100 a month after each year of service in the class to a maximum of R2,000 a month ; some extra personal allowance being admissible where the Deputy Auditor and Accountant General at Madras or Bombay is required to fulfil the additional duty of acting as the sole or Senior Government Director of the Presidency Bank, consisting of—

Deputy Auditors and Accountants General of the three Presidencies and the North-West.

First Assistant Secretary, Financial Department.

Class II.—Salary R1,000 a month, rising to R1,500, by an increase of R75 a month each year after two years of service in the Class, consisting of—

Civil Pay Masters of the three Presidencies.

Deputy Auditors and Accountants General, Punjab, and smaller Governments.

First Assistant to the Accountant and Auditor General of India.

Second Assistant Secretary of the Financial Department.

Class III.—R700 a month, rising to R1,000, by R50 a month each year after three years' service in the Class, consisting of—

Civil Pay Masters at other places.

First Assistants to Deputy Auditors and Accountants General.

Second Assistant to the Accountant and Auditor General of India.

Third Assistant Secretary, Financial Department.

First Assistant to the Principal Assistant Secretaries, Financial Department.

And any other Officers fairly on a par with these.

Class IV.—Salary R400 a month, rising to R700 by an increase of R30 a month each year after three years' service, consisting of—

Junior grades in the Central Office at Calcutta, and Chief Assistants in the Principal Local Offices.

As a rule, every one should serve for a certain time in this class in the Central Office at Calcutta, so as to be instructed in the system of Accounts and Budget Estimates.

In addition to these established Classes there will be a Class of Apprentices or Probationers, at salaries not exceeding R250 a month, consisting of youths, who will be taken on trial, and from the established Classes will be principally recruited as vacancies occur.

It will be distinctly understood that the Government always retains the power of selecting men of higher standing and experience and placing them at once in any of the higher classes where the public service requires it. One placed in any Class, they will rise as if they had entered the Service from the bottom; but, as a general rule, after an adequate supply of young men has been trained up in the Lower Grades, promotion will take place among them according to merit and seniority.

In order to secure due consideration to personal claims and to the good of the public service, the following rule, which prevails with great advantage in the English Treasury, will be adopted in regard to all vacancies and appointments, *viz.* :—

The Financial Secretary shall confer with the Accountant and Auditor General; and if, after duly considering the report of the officer at the head of the Department in which the vacancy occurs, they agree on a recommendation, the Financial Secretary shall report it to the Governor General in Council; but if they disagree, each shall report his opinion separately in writing to the Governor General in Council.

The rise of salary in each Class after the specified period of service will take place without any change of office or any special report in the absence of positive demerit, but promotion from one Class to another will depend entirely on efficiency. The Covenanted Officers now in the service, who retain their present offices and prospects of promotion without change, except as already stated, need not be classed as above described, unless they desire it.

As regards the expense of the new organization, it appears that the following is the present cost of officers in the Financial Department (exclusive of

the Financial Secretary and Accountant and Auditor General of India) with salaries of R700 a month or upwards :—

Appointment.	Salary Rupees a month.
<i>Covenanted.</i>	
Sub-Treasurer, Calcutta . . . . .	3,000
Deputy Auditor and Accountant General, Bombay . . . . .	3,000
Ditto ditto Madras . . . . .	3,000
Ditto ditto Bengal . . . . .	2,500
Ditto ditto North-West . . . . .	2,500
Civil Pay Master, Calcutta . . . . .	2,500
Ditto Madras . . . . .	2,000
Ditto Bombay . . . . .	2,000
Sub-Treasurer, Madras . . . . .	2,000
Ditto Bombay . . . . .	2,000
Deputy Auditor and Accountant General, Punjab . . . . .	1,500
Civil Pay Master, North-West . . . . .	1,500
First Assistant to Accountant General of India . . . . .	1,500
Ditto ditto of Bombay . . . . .	1,200
Ditto ditto of Madras . . . . .	1,200
Civil Pay Master, Punjab . . . . .	1,200
Under-Secretary, Financial Department . . . . .	1,250
<i>Uncovenanted.</i>	
First Assistant Secretary, Financial Department . . . . .	1,000
Second Assistant to Accountant General of India . . . . .	1,000
Assistant to Sub-Treasurer . . . . .	700
Ditto Accountant General, Bombay . . . . .	800
Ditto ditto, Madras . . . . .	800
Third Assistant to Accountant General of India . . . . .	800
Fourth Ditto ditto . . . . .	700
Second Assistant Secretary, Financial Department . . . . .	700
Deputy Auditor and Accountant General, Hyderabad . . . . .	700
Ditto ditto, Central Provinces . . . . .	700
Assistant Civil Pay Master, Calcutta . . . . .	700
Total of Covenanted and Uncovenanted . . . . .	42,450

making the total cost £50,840 a year.

Under the new organization when fully carried out, the corresponding Establishment will be composed nearly as follows :—

	Minimum.	Maximum.
<i>Class I.</i>		
5 Officers at £1,800 to £2,400 a year . . . . .	9,000	12,000
<i>Class II.</i>		
8 Officers at £1,200 to £1,800 . . . . .	9,600	14,400
<i>Class III.</i>		
19 Officers at £840 to £1,200 . . . . .	15,960	22,800
TOTAL . . . . .	34,560	49,200
AVERAGE . . . . .	. . . . .	41,880

Some of the expense of the present Establishment would have been saved at any rate by the abolition of the Sub-Treasurerships under the arrangements with the Banks, but on the other hand some increase of strength in the Central Department was indispensable if the existing system had been retained, so that on the whole it may be safely said that the new scheme will not be attended with any material increase of expense, while it provides for seven more officers than at present, in the Central Department, where additional strength is so much needed, at salaries sufficient to secure the services of men of talent and experi-

ence, and holds out a career sufficiently certain and attractive to induce a succession of young men of good character and abilities to devote themselves to the exclusive study of Accounts and Financial Administration.

Experience has suggested some further changes in the constitution of the Financial Department, as laid down by the Resolution of the 4th July, 1861, which may be conveniently made in connection with the above scheme.

The office of Under-Secretary cannot with advantage be made a wheel in the administrative machinery, so that papers which are sent through the Assistant Secretaries to the Financial Secretary, and from him to the Financial Member of Council, should also be read and minuted upon by the Under-Secretary.

No young man, however able, can be expected to deal with Financial subjects without long preparation, and attempt to do so would only waste time and divide responsibility.

But there is abundance of work for an intelligent young man as personal Assistant to the Financial Secretary, and the office of Under-Secretary is retained on this footing, though not as one of the regular Establishment.

The Resolution of 4th July 1861 states that "the most important appointment in the Financial Department is that of Assistant Secretary in the Account Department." Experience fully confirms this, and shows that there is no officer in the whole range of the department, except the Financial Secretary, upon whose accuracy, zeal, and intelligence the Government must so constantly rely in the most important Financial matters. Accordingly, the office is placed in the First Class of the new organization, and the present holder of it, Mr. T. Peachey, is confirmed in the appointment.

A large class of important business remains in the Financial Department, which is not provided for either in the Account or General Departments as constituted by the Resolution of 4th July, 1861.

The existence of the Civil Finance and Police Commissions has hitherto given the Financial Department a ready means of revising estimates and checking expenditure in the different Civil Branches. But those Commissions have come to an end, and it is very important that the Financial Department should possess, within its own walls, a department whose special duty it is to watch Civil expenditure, and criticise, by the aid of uninterrupted tradition and official experience, all proposals involving expense, which may be submitted either with the Budget Estimates or in the course of the year.

Accordingly, a "Civil Finance Department" is constituted with an Assistant Secretary of the Second Class at its head, as an addition to the Account and General Departments, and Mr. R. H. Hollingbery, whose services in the Civil Finance Commission peculiarly qualify him for such an office, is appointed to fill it. This will not in any way interfere with the principle of the rule laid down in 1843, that all applications from Local Governments for increased expenditure shall be considered first in the Department of the Supreme Government to which the business of the Department in which the increase is proposed, belongs. Any proposal, for instance, for increased expenditure in Police will continue to come to the Financial Department through the Home Department, with the opinion of that Department, on the proposal, though the Financial Department will still require an establishment to enable it to apply its own revision to the proposal so made.

In some cases, as in passing the Annual Budget, time may not always admit of a previous reference from the Financial to other Departments, but in this case sanction may be given to the estimate provisionally, subject to consideration of the details by the proper Department, or such other special rule made as may be required to meet the special case.

The apportionment of other important business of the Financial Department hitherto but partially provided for, as supervision of the Revenue preparation of Financial and Commercial Statistics, and supervision of the Currency, will be made between the different Assistant Secretaries as experience may suggest, and competent Assistants to the Chief Assistant Secretaries will be appointed as fit men can be found or trained up from lower grades.

ORDERED, that the above Resolution be published in the *Calcutta Gazette* for general information, and that a copy be forwarded to the Right Hon'ble the Secretary of State for information.

FORWARDED to the Right Hon'ble the Secretary of State for India, in Financial Letter, No. 66a of 1862, dated the 13th May.

No. 1205, dated Simla, 5th July, 1865.

No. 4. ] RESOLUTION—By the Government of India, FINANCIAL DEPT.

Read again—

Financial Resolution No. 2189, dated 20th April, 1865, directing the introduction, into the Civil Department, of a system of Audit and Account on the model of the English system.

The Governor General in Council observes that the amalgamation of the Offices of the Deputy Auditor and Accountant General and the Civil Pay Master was approved in paragraph 31\* of the Resolution dated 20th April 1865.

2. As a first step the Office Establishments of those functionaries will be amalgamated as they stand, reductions being effected immediately of such clerks and servants, as in the opinion of the Deputy Auditor and Accountant General may have become palpably superfluous,—the general revision of the Office being deferred till there shall have been sufficient experience of the requirements of the new system. Such further modifications, however, as may be absolutely necessary, may be made provisionally by the Deputy Auditor and Accountant General, with a careful regard to the saving which ought ultimately to accrue from the amalgamation of the two Office Establishments, and subject to immediate report to the Government of India.

3. The arrangements which may be made for a proper post-audit and for reports to the Local Governments, on claims to pension and on applications for leave, &c., can also in many cases be adapted so as to admit of the pre-examination of claims payable at Stations where there are Accountants General, on the plan recommended by the English Commissioners of Inquiry into Indian Accounts.

4. At Calcutta, Madras, and Bombay, respectively, an Examiner of Claims has, however, been specially allowed; but until further experience of the new system, a similar appointment will not be allowed for any other Province or Administration. When the several Examiners are not employed on the work appertaining more immediately to their appointments, their services will be available for such other additional duties as may be assigned to them by the Accountant General.

5. In paragraphs 386—7 of the Report on Civil Accounts, the Commissioners urged the necessity for providing an efficient Deputy to each Deputy Auditor and Accountant General, if the present defective control over Treasuries, and over the internal working of the local Account Offices, is to be remedied. The expediency of utilizing for this object the Officers now serving

\* "On these grounds, and having regard to the imperative necessity of obtaining prompt accounts based upon audited charges, and to the preponderance of opinion and argument in favor of abolishing pre-audit, and amalgamating the establishments of the Deputy Auditor and Accountant General, and the Civil Pay Master, it has been determined to give effect to those measures as soon as the necessary arrangements can be made."

as Civil Pay Masters was suggested by the Commissioners. The Governor General in Council approves of the recommendation, and is pleased to decide accordingly that, for the Presidencies of Madras and Bombay, and for Bengal, the North-Western Provinces, and the Punjab, there shall be allowed, without any increase of emoluments, an Accountant General and a Deputy Accountant General, in place of the present Deputy Auditor and Accountant General and Civil Pay Master. In the North-Western Provinces and the Punjab, the duties which in Calcutta, Madras, and Bombay are allotted to Examiners of Claims, will be performed by the Deputy Auditor and Accountant General, in addition to any other which may be assigned to him by the Accountant General.

6. An Accountant General without a Deputy will be retained, within the present scale of charge, for British Burma; and the existing provision of a Deputy Accountant General for Hyderabad and the Assigned Districts, and for the Central Provinces, will continue.

7. Considerable embarrassment has been experienced in the posting of the Officers of Account to Presidencies and Provinces from the circumstance that, whereas they are on a general list for employment in any part of India, the position of an Accountant General or Deputy Accountant General in the classified list of the Department is dependent in many cases on the locality in which he serves. This inconsistency will now be removed by making salaries personal and not local.

8. By the Financial Resolutions, No. 84, dated 13th May 1862, and No. 69, dated 29th August 1862, the Officers in the Financial Department below the Financial Secretary, and in the Civil Departments of Audit and Account, were formed into classes in a Department under the Government of India, with the same scale of pay in each class for Covenanted Officers appointed to the Department after 13th May 1862, and for Uncovenanted Officers. No alteration in this arrangement will be made.

9. For the Covenanted Officers, who were in the Department on 13th May 1862, certain higher salaries were retained in the first three classes, in order to preserve to them the prospects, on the faith of which they entered the Department.

10. In this way, and from the effects of certain minor modifications of a later date, the sanctioned scale of charge for Officers in the Departments of Account and Audit, as originally constituted by the Resolution of 13th May 1862, is as follows, *viz.* :—

*Class I.—5 Officers.*

Ordinary salary in the Class, R1,500 monthly,—rising by R100 a month after each year of service in the Class, to a maximum of R2,000 monthly.

Exceptional.—Of the five ordinary salaries in the Class, four are in abeyance by the payment of the following in lieu, *viz.* :—

2 on R3,000 monthly.

2 on R2,500 ditto.

These are held by Covenanted Officers already in the Class, and they will be retained for other Covenanted Officers who were in the Department on 13th May 1862, and who may succeed to any one of these four exceptional salaries.

*Class II.—7 Officers.*

Ordinary salary, R1,000 a month,—rising to R1,500 monthly, by an increase of R75 a month after each year of service in the Class.



Exceptional.—Of the seven ordinary salaries, five are in abeyance by the payment of the following in lieu, *viz.* :—

- 1 on R2,500 monthly.
- 2 on R2,000 ditto.
- 2 on R1,500 ditto.

These are held by Covenanted Officers already in the Class, and they will be retained for their benefit and for that of the only Covenanted Officer in the III Class who entered the Department before 13th May 1862, and who severally may succeed to any of these five exceptional salaries.

*Class III.—5 Officers.*

Ordinary salary, R800 a month,—rising by an annual increase of R50 a month, after each year of service in the Class, to a maximum of R1,000 a month.

Exceptional.—Of the 5 ordinary salaries, one has been in abeyance hitherto by the payment in lieu of a salary of R1,425, rising from 1st May 1865 to R1,500 monthly. This will now be in abeyance by the temporary promotion of the Covenanted Officer who held it to a higher class.

*Class IV.—11 Officers.*

Ordinary salary, R600 a month,—rising to R800 by an increase of R50 monthly, after each year's service in the Class.

*Class V.—24 Officers.*

Salary, R400 a month,—rising to R600 by an increase of R50 a month, after each year's service in the Class.

11. His Excellency in Council is pleased further to rule that the posting of an Officer to any Province will not confer a title to any higher salary than that of the Class from which the Officer is taken, unless the appointment is accompanied by promotion to a higher Class, or by a nomination to act in a higher Class.

12. With regard to the undermentioned appointments wherever they exist, the designations of the Local Officers of Account and Audit will be hereafter as follow :—

- (1) Accountant General of the Local Government or Administration.
- (2) Deputy Accountant General.
- (3) First Assistant to Accountant General.
- (4) Second Assistant to Accountant General.
- (5) Examiner of Claims.

13. All other Officers, whether belonging to the late Civil Pay Master's Offices, or the Offices of the Deputy Auditor and Accountant General, will be entered as Assistants in the Offices of the Accountant General, to which they are attached. They will be borne in the proper order of precedence or seniority on the classified list, if belonging to that list, or on the rolls of the establishment of which they form a part.

No. 3116, dated 18th December, 1871.

No. 5.] RESOLUTION—By the Government of India, FINANCIAL DEPARTMENT.

Read the following Resolutions :—

- No. 5126, dated 4th December 1857.
- „ 84, „ 13th May 1862.
- „ 6 G., „ 29th August 1862.
- „ 1205, „ 5th July 1865.
- „ 1705, „ 9th „ 1869.

RESOLUTION.—The Governor General in Council is pleased to resolve that,

in future, appointments to the Sixth Class of the Financial Department shall be made as follows:—

2. Candidates for admission to the Department will be selected, from time to time, according to the requirements of the service, three being named for each expected vacancy.

3. The age of a candidate, when examined, must not exceed 25 years, and he must produce a certificate by a Government Medical Officer of physical fitness for service in the plains of India.

4. The nominated candidates will be examined in the subjects described in the first schedule attached to this Resolution, and (subject to the conditions detailed below) the candidate who obtains the highest marks will be appointed to the first vacancy in the Sixth Class of the Department, the candidate who obtains the second place to the second vacancy, if there be more than one vacancy to be filled, and so on. No candidate will be admitted to the Department who does not obtain half marks in each subject, or who obtains less than 700 marks in all.

5. A candidate will not be allowed to compete at the entrance examination more than twice.

6. The examination will be by written questions and answers. The questions will be prepared in such manner as the Governor General in Council may, from time to time, direct.

7. The candidates may be examined at any place where arrangements can be made to secure the integrity of the examination.

8. The Governor General in Council is further pleased to decide that the officers in the Fifth and Sixth Classes of the Department shall, in future, be examined half-yearly (on the Mondays next after the 10th May and 10th November, and following days) in the subjects detailed in schedules II and III annexed to this Resolution. These examinations will be styled the Lower and Higher Departmental Examinations respectively.

9. An officer who obtains at any departmental examination half marks in each subject, and not less than 800 marks in the aggregate, shall be held to have passed the examination. Officers are, however, permitted to pass each of the departmental examinations in two instalments, if they notify their intention beforehand, and specify the subjects in which they are prepared for examination. In such case an officer to pass must obtain at least half marks in each subject in which he is examined, and two-thirds of the aggregate marks obtainable in those subjects.

10. Officers who do not pass the Lower Departmental Examination at the fourth or some earlier examination, and the Higher Departmental Examination at the eighth or some earlier examination, after they join the Department, will, without further orders, cease to belong to the Department from the date on which the result of the examination is declared. Provided that if, before the said fourth or eighth examination (as the case may be), an officer have obtained leave of absence on medical certificate for more than three months, he shall be allowed to remain in the service for six months longer, in order to present himself at one more examination.

11. Upon passing each departmental examination, the pay of officers of the Sixth Class will be increased, from the date on which the examination ends, by R50 a month; so that the pay of an officer of the Sixth Class who has passed the Lower Examination will be R250, and that of an officer of the Sixth Class who has passed the Higher Departmental Examination R300 a month.

12. An officer will not be promoted substantively to the Fifth Class until he has passed the Lower Departmental Examination, nor will an officer be promoted substantively to the Fourth Class until he has passed the Higher Departmental Examination.

13. Officiating appointments to the Fourth and Fifth Classes will be made

after consideration of the order in which officers have passed the departmental examinations.

14. The departmental examinations will be conducted at the local Account offices, in the presence of the Accountant General, and under the direction of the Comptroller General and Deputy Comptroller General, who will decide upon the marks to be awarded to each examinee. If these officers differ as to the marks to be assigned to any answer, the Secretary to the Government of India in the Financial Department will decide finally between them.

The first examination will be on Monday, the 15th May 1872.

15. The rules for conducting all the examinations will be as follows :—

- (1) The examination papers will be sent in a sealed packet, not to be opened till the examination begins, each cover containing a sealed envelope with the candidate's name outside, and an index number inside, which is to be made over to him by the officer presiding at the examination and opened by himself. This index number is to be entered by the candidate on each of his papers, *instead of his name, which is nowhere to appear on the proceedings.*
- (2) The several papers should be given out singly, and the time and date of giving out each is to be mentioned in the presiding officer's report. The exercises are to be worked out by the candidate in presence of the presiding officer.
- (3) The *questions* need not be written out by the candidate, but only the answers and solutions *in full*, with the number of the question prefixed. The answers may be first worked out on waste paper. The neatness of the candidate's papers will be taken into consideration in assigning values to his work. The paper should be of foolscap size, with the candidate's index number and the date and the title of each subject at the head of the paper. No second copying should be allowed. The solutions as first written fair are to be transmitted to the Comptroller General without alteration or correction immediately after the close of the examination. The questions must be returned.
- (4) The time occupied by the candidate in answering each set of questions is to be stated on the back of his paper of solutions. When the time allowed for a paper is exceeded, a rateable deduction will be made on this account from the marks gained by the candidate.
- (5) The presiding officer must certify that the above rules have been strictly followed by signing the certificate below, and specify any accidental or unavoidable deviations :—

“Certified that the examination of the candidates whose index numbers are \_\_\_\_\_, has been conducted strictly according to the rules contained in the Resolution of the Financial Department, No. 3116, dated the 18th December 1871, as below :—

“ *Date of examination papers being received*

“ *Date of examination being commenced*

SUBJECT.	BEGUN.		ENDED.	
	Day.	Hour.	Day.	Hour.

(Signed)

*Conducting the Examination.*”

18. In order to avoid misapprehension, the Governor General in Council declares that nothing in this Resolution is to be understood as limiting the powers which the Government has throughout expressly retained, of appointing gentlemen not in the Department to any office in any class of the Department whenever the interests of the public service require it.

19. The Government will always appoint an officer belonging to the Department to a vacancy, if there is such an officer of sufficient standing and experience and qualified for the office in every respect. But it must be emphatically understood that the officers in the Classified List have no monopoly of the departmental service other than that which the opportunities of their position, diligently improved, may secure to them.

20. The first consideration, when a vacancy occurs in the Department, will always be the efficiency of the public service; and no claim on the part of the officers of the Department will ever be allowed to stand in the way of the enlistment, in the higher offices of the Department, of officers of the Covenanted Civil Service, or even of gentlemen not in the service of the Government at all, whenever it is thought that the public interests require, or will be promoted by such enlistment.

ORDERED, that the foregoing Resolution be published in the *Gazette of India*, and communicated to the Comptroller General, the Accountants General, and the Deputy Accountants General in independent charge.

SCHEDULE I.

EXAMINATION FOR ADMISSION TO THE FINANCIAL DEPARTMENT.

*Subjects for Examination.*

	MARKS.
Writing and Composition. Impromptu essay upon some given subject . . . . .	150
Arithmetic, including Compound Proportion, Simple Interest, and Vulgar and Decimal Fractions . . . . .	300
Latin, Greek, Sanscrit, French, German or Persian . . . . .	200
English History and Literature, and Indian History (Elementary)	200
Geography, Asia (especially India) and Europe . . . . .	150
	1,000

SCHEDULE II.

LOWER DEPARTMENTAL EXAMINATION.

*Subjects for Examination.*

	MARKS.
Composition. A Précis of papers not seen before . . . . .	150
Arithmetic, and Algebra to Quadratic Equations, inclusive	250
Book-keeping . . . . .	200
Political Economy, Fawcett* . . . . .	200
Indian Financial Statements† . . . . .	200
Financial Department Codes † . . . . .	200
	1,200

\* Other text-books will be named from time to time.  
 † Access to the books will be allowed to the examinees.

## SCHEDULE III.

## HIGHER DEPARTMENTAL EXAMINATION.

*Subjects for Examination.*

	MARKS.
A Précis and a draft . . . . .	150
Annuities and Compound Interest, and the use of logarithms of numbers † . . . . .	100
Book-keeping . . . . .	150
Political Economy (Mill) ; * Indian Polity (Chesney) * . . . . .	200
Indian Financial Statements and Annual Statements of Secretary of State for India (as collected by Financial Department) . . . . .	200
Departmental Codes and Circulars, including Comptroller General's Circulars † . . . . .	200
Revenue System of India, and the Statute Law bearing upon Revenue and Taxation † . . . . .	200
	1,200

\* Other text-books will be named from time to time.

† Access to the books will be allowed to the examinees.

Dated 14th November, 1874.

No. 6. ] From—E. GAY, Esq., Deputy Comptroller General, Offg. Accountant General, Bengal,  
To—The Secretary to the Government of India, FINANCIAL DEPT.

An officer has recently been admitted to the Financial Department, and has been permitted to look to succeed to the seven exceptional salaries now enjoyed by Covenanted Officers who entered the Department before 1862.

2. The consistent policy of Government for years has been to make no difference in the remuneration of officers in a mixed Department on account of their belonging to the Covenanted Services. As examples, I may instance the Commissions of the several non-regulation provinces, the Educational, Post Office, Survey and Telegraph Departments, and both the Engineer and Accounts Branches of the Public Works Department. It is believed that no instance to the contrary exists.

3. But if it were necessary to supply additional arguments for even measure to all in the Financial Department, they would be found in the repeated assurances of Government that such would be maintained. I could not desire more distinct utterances than are contained in the Resolutions from which extracts are appended.

4. The concession to this officer would therefore appear to be a personal one, and I would solicit permission to lay before Government this my application for the grant of a similar boon to me, and with a date no later than the case referred to.

5. The considerations on which my request is based are as follows:—

6. That I was appointed nine years ago by the Secretary of State as an officer of experience, and that in my appointment prospect of promotion to higher offices was expressly contemplated.

7. That for more than seven years I have held appointments ranking before that of the officer to whom I refer.

8. That my present permanent appointment is in the first, while his is in the third, class of the Department.

9. That while by the classification of the Department the mean salary of my appointment should be almost exactly double that of his, by the grant of this privilege to him, and not to me, I draw at the present time less salary than he does.

10. Lastly, that my recent selection to fill an office ordinarily reserved by law for Covenanted Officers may perhaps be taken as an argument for allowing me any advantage of pay which Government may give to a Civilian nominated to a junior appointment in the Department.

Dated 11th March, 1876.

No. 7. ] From—E. GAY, Esq., Deputy Comptroller General,  
To—The Secretary to the Government of India, FINANCIAL DEPT.

I have the honour to draw your attention to my letter, dated 14th November 1874, soliciting that, in accordance with the Government orders quoted, and for the reasons set forth,

any privilege granted to officers of the Covenanted Civil Service admitted into the Financial Department after 13th May 1862 may not be denied to me.

2. Government has been pleased to grant me furlough to England, and I propose to leave Calcutta about the end of this month; it is of great importance to me to learn the decision of Government before leaving India, and I venture to ask you to lay this my respectful petition before Government that the case may now be decided.

No. 2162, dated 12th April, 1876.

No. 8. ] From—R. B. CHAPMAN, Esq., Secretary to the Government of India, FINANCIAL DEPT.,  
To—The Comptroller General.

I am directed by His Excellency the Viceroy and Governor General in Council to forward to you copies of two letters, dated 14th November 1874 and 11th March 1876, addressed to me by the Deputy Comptroller General, Mr. E. Gay, in which he makes a claim to increased pay, because a pay has been assigned to Mr. \* \* , an officer of the Finance Department, in excess of the pay fixed for the Department as reorganised in 1862, and to request that you will communicate to Mr. Gay a copy of my letter No. 3135, dated 18th September 1873, to Mr. \* \* , and also a copy, herewith forwarded, of my letter No. 3658, dated 15th December 1873, to the Officiating Accountant General, North-Western Provinces.

2. These letters contain the orders of the Government of India upon complaints addressed to it by other enrolled officers of the Finance Department in respect to Mr. \* \* 's appointment to be an officer of the Finance Department, and the Governor General in Council has no other orders to give on Mr. Gay's letter.

3. In order, however, that there may be no doubt in future as to the right of the Government of India to appoint to any office in the Department of Finance and Accounts any one not enrolled in the Department as organised in 1862, upon such terms as to remuneration as may be necessary to secure his services, a Resolution will now be issued setting forth the facts of Mr. \* \* 's appointment, and the principles upon which the Government will be guided in future whenever it may think it necessary to appoint to an office of the Finance Department any one who is not enrolled under the Resolutions of 1862 and 1871.

No. 2163, dated 12th April, 1876.

No. 9. ] RESOLUTION—By the Government of India, FINANCIAL DEPT.

Read again the following Proceedings :—

Expenditure, May, No. 50A., 1862.  
Leave, July, Nos. 33 and 34, 1863.  
„ No. 17A., October 1863.  
Expenditure, No. 118, July 1865.  
Accounts, December 1871, No. 44.  
„ „ 1874, Nos. 18 to 31, and 32 to 36.

RESOLUTION.—By Resolution No. 84, dated 13th May 1862, the Department of Finance and Account was reorganised upon its existing basis.

2. This Resolution contained, amongst other provisions, the following announcements :—

“It is absolutely necessary, therefore, in framing any plan for the future organisation of the Financial Department to proceed on the principle that all distinction between ‘Covenanted’ and ‘Uncovenanted’ Services must be set aside, except for a few of the very highest offices, as that of Financial Secretary, and that the salaries and constitution of the Department must be

regulated with a sole view to efficiency without distinction of service, profession, race or religion.

\* \* \* \* \*

“It will be distinctly understood that the Government always retains the power of selecting men of higher standing and experience and placing them at once in any of the higher classes when the public service requires it. Once placed in any class, they will rise as if they had entered the Service from the bottom, but, as a general rule, after an adequate supply of young men has been trained up in the lower grades, promotion will take place among them according to merit and seniority.”

3. In the Resolution No. 3390, dated 25th July 1863, occurs the following passage :—

“The Hon’ble the President in Council observes that, under the Financial Resolution of the 13th May 1862, Covenanted Officers, who entered the General Department of Account before that date are allowed to retain their privileges, and therefore when such Covenanted Officers are appointed to act for other Covenanted Officers in the Department, they are entitled to draw deputation allowances on the same terms as those allowed to Covenanted Officers in other branches of the Service. But this rule cannot be held to apply to Covenanted Officers entering the Financial Department after that date, nor does it seem proper to preserve a separate rule for calculating the acting allowances of Uncovenanted Officers in the Department, as by the Resolution above mentioned all distinction between the Covenanted and Uncovenanted Service was abolished.”

4. In a Resolution No. 5166, dated 16th October 1863, is the following passage :—

“The Hon’ble the President in Council observes that, under the Financial Resolution of the 29th August 1862, the distinction between the Covenanted and Uncovenanted Service in the Financial Department was abolished.”

5. Paragraph 8 of the Resolution No. 1205, dated 5th July 1865, is as follows :—

*Paragraph 8.*—“By the Financial Resolution No. 84, dated 13th May 1862, and No. 69, dated 29th August 1862, the officers of the Financial Department below the Financial Secretary and in the Civil Department of Audit and Account were formed into classes in a Department under the Government of India with the same scale of pay in each class for Covenanted Officers appointed to the Department after 13th May 1862 and for Uncovenanted Officers. No alteration in this arrangement will be made.”

6. By the Resolution No. 3116, dated 18th December 1871, the organisation of the Department was again revised. The 18th, 19th, and 20th paragraphs of this Resolution are as follows :—

“18. In order to avoid misapprehension, the Governor General in Council declares that nothing in this Resolution is to be understood as limiting the powers which the Government has throughout expressly retained of appointing gentlemen not in the Department to any office in any class of the Department whenever the interests of the public service require it.

“19. The Government will always appoint an officer belonging to the Department to a vacancy, if there is such an officer of sufficient standing and experience and qualified for the office in every respect. But it must be emphatically understood that the officers in the classified list have no monopoly of the departmental service other than that which the opportunities of their position diligently improved may secure to them.

“20. The first consideration when a vacancy occurs in the Department will always be the efficiency of the public service, and no claim on the part of the officers of the Department will ever be allowed to stand in the way of the enlistment in the higher offices of the Department of officers of the Covenanted Civil Service or even of gentlemen not in the service of the Government at all, whenever it is thought that the public interests require, or will be promoted by such enlistment.”

7. In August 1873, the Governor General in Council considered it necessary, in the interests of the public service, to appoint Mr. James Westland, a member of the Covenanted Civil Service, “to be an officer of the Financial Department.” The pay of the Department, as fixed in 1862, not being high enough to secure the services of a Covenanted Civil Servant of Mr. Westland’s standing, he was informed that he would “have a claim to succeed, as the

Covenanted Officers in the Department alone succeed, to the seven appointments reserved to them, *viz.* :—

	R
Two on . . . . .	3,000 each.
Three on . . . . .	2,500 do.
Two on . . . . .	2,000 do.”

8. Against this appointment remonstrances were received from certain officers enrolled in the Department under the Resolutions of 1862 and 1871, as follows, *viz.* :—

From Mr. Biss, dated 1st September 1873.

From Messrs. Anthony, Kiernander, Biddulph, Rivett-Carnac, and Barnes, dated 10th October 1873.

9. These gentlemen were informed that Mr. Westland's appointment was made in accordance with paragraphs 19 and 20 of the Resolution No. 3116, dated 18th December 1871, to which they were referred as containing a sufficient answer to their representations, and were told that—

“while the Government recognises the claims and services of officers in the Department, it reserves to itself the fullest power to appoint other officers to the Department whenever the interests of the service require it.”

10. On the 14th November 1874, Mr. Gay, another officer enrolled in the Department under the Resolution of 1862, applied for the grant to himself of the same allowances as had been given to Mr. Westland. Orders have been issued on Mr. Gay's case in the same terms as those passed upon the previous representations hereinbefore quoted. The Governor General in Council cannot recognise the justice of Mr. Gay's claim. Salaries are fixed with a view to the interests of the public service only, and the question is simply whether the salaries offered to Uncovenanted Officers joining the Financial Department are sufficient or not. It is no ground for raising them, that the services of a Covenanted Civil Servant, who enters the public service on conditions entirely different from those which apply to an Uncovenanted Servant, cannot be obtained except on higher remuneration.

11. Nor does it appear to the Governor General in Council that any injury was inflicted upon the enrolled officers of the Financial Department, because the Government, deeming it necessary in the public interests to appoint a Covenanted Civil Servant to be an officer of the Department, was obliged, in order to secure this public object, to pay the Covenanted Civil Servant at the rate which it had been found necessary to maintain for the Covenanted Civil Servants already in the Department instead of at the lower rate fixed in 1862 for the Department as then reorganised.

12. The Governor General in Council has been led by these several remonstrances carefully to re-consider the reasons for Mr. Westland's appointment. His Excellency in Council is as convinced now as he was in 1873 that Mr. Westland's appointment was required in the interests of the public service, and that it was necessary to hold out to him the prospects enjoyed by the Covenanted Civil Servants already in the Department. Excepting recruitments in the ordinary course, very few appointments have been made to the Department since 1862, and the Governor General in Council has no desire to depart from the general practice followed since 1862 in accordance with the Resolution No. 84 passed on the 13th of May of that year, and does not consider it likely that it will be often necessary to appoint to any office in the Department any one who is not an enrolled officer of the Department under the Resolutions of 1862 and 1871. At the same time it is to be clearly understood, that such appointments will be made in any case in which they may appear to be for the public interests.



13. The passages contained in the Resolution of 1862, and in the other later Resolutions quoted in this paper, show that it was not contemplated when the Department was formed that in the case of the appointment of a Covenanted Officer to the Department, he would be allowed a higher salary than the departmental scale as fixed in 1862. But in the opinion of the Governor General in Council, the necessities of the public service must over-ride all such restrictions. When Mr. Westland was appointed, the Department, as enrolled in 1862, was not able to supply an officer qualified to fill, to the satisfaction of the Government of India, the position in the Finance Department which had become vacant, who was not already employed upon equally important duties; it became necessary therefore to resort again to the Covenanted Civil Service and to pay what was necessary to secure the services of a Covenanted Officer of the requisite standing. It is absolutely necessary that the Government should retain full liberty of action hereafter in case of need under like circumstances.

14. In order to make the future policy of the Government in this respect clear, and obviate misunderstandings, His Excellency in Council deems it proper to declare that the Government of India must hold itself free, not only to appoint to any office in the Finance Department any one not an enrolled officer of the Department whose appointment is considered necessary in the public interest, but also to offer to the person selected for such appointment such remuneration as may be required in order to secure his services. The Government will not use this liberty without sufficient cause, or without careful regard to the claims and interests of the enrolled officers of the Department; but the Government cannot allow them to challenge the exercise of its discretion.

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ORDERED, that copy of this Resolution be furnished to the Comptroller General, the Accountants General, and to each officer of the Financial Department enrolled under the Resolutions of 1862 and 1871.

Also, that copy of the first sentence of paragraph 14 be furnished hereafter to each candidate for an appointment in Finance Department.

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No. 141, dated 14th April, 1876.

No. 10.]

From—The Government of India,  
To—The Secretary of State for India.

In his Despatch No. 1, dated 8th January 1863, the Right Hon'ble Sir Charles Wood sanctioned the organisation of a Finance Department for India, including the Departments of Account and Audit, introduced by our Resolution No. 84, dated 13th May 1862.

2. On the 20th March 1865 (Despatch No. 55) we represented that we found difficulty in providing a supply of suitable recruits for the Department, and requested that some trained officers might be sent out from England. Sir Charles Wood (Despatch No. 141, dated 16th June 1865) complied with this indent to a limited extent, but expressed a hope that "in future we should have no difficulty in obtaining in India qualified candidates for the several offices of finance and account, as he considered that it would be much more desirable to adopt this course than to send recruits direct from England."

3. Our selected recruits having proved disappointing, we instituted by our Resolution No. 3116, dated 18th December

\* Recorded as No. 44, Accounts Proceedings, December 1871.

1871,\* a system of recruitment by limited competitive examination under which we

have added to our staff twelve young officers of satisfactory promise. His Excellency the Viceroy has also, during the last four years, appointed separately to

the Department four Natives of India carefully chosen either for academical distinction or other special qualifications. The reports of their conduct and qualifications have so far proved satisfactory, and for the present we intend to fill every third vacancy by a Native of India so selected; experience alone can prove whether they will prove qualified for the higher appointments in the Department. As to European recruits, the emoluments of the Department are not sufficient to attract Covenanted Officers, and our present system (which has not, however, yet reached the higher Accountant Generalships, still officered by Civilians) is working well.

4. The office of "Accountant General" is reserved by Act 24 and 25 Vic., Cap. 54, for the Covenanted Civil Service, unless for special reasons the Governor General in Council deems it proper to appoint thereto some one not a Covenanted Civil Servant by the procedure prescribed in Section 3.

5. There may be some doubt whether the Act was designed to reserve the office of "Accountant General" as now constituted, or whether it was intended to reserve only the office now filled by the "Comptroller General." But until this doubt is cleared up, we do not feel at liberty to appoint an officer not in the Covenanted Civil Service to any of the five Accountant Generalships of Madras, Bombay, Bengal, the North-Western Provinces, and the Punjab, otherwise than by the special procedure provided by the Statute quoted in paragraph 9.

6. This legal difficulty appears to have been overlooked by Lord Elgin's Government, when it passed the Resolution of 13th May 1862, by which the office of Accountant General was, under the title of Deputy Auditor and Accountant General, thrown open to the officers of the Department then constituted, whether they were Covenanted or Uncovenanted. Nor does the conflict of that Resolution with the law appear to have attracted Sir Charles Wood's attention.

7. As the officers in the Covenanted Civil Service who are now employed in the Department take their pensions, it will become necessary to promote the Uncovenanted Officers to the office of Accountant General; they will, indeed, be the only officers who will possess the necessary training. In order, therefore, to obviate the necessity of making the appointments and reporting them to Your Lordship under the provisions of the 24 and 25 Vic., Cap. 54, it will be desirable that the office of Accountant General should be omitted from the third schedule of the "Government of India" Bill now under Your Lordship's consideration; and we recommend this omission. We have felt some doubt whether we should advise at the same time the insertion of the office of "Comptroller General" which is the existing title of our chief officer in the Account Department.

8. The office of Comptroller General is not included in the list of offices reserved under certain conditions to the officers enrolled under the Resolution of 1862, and the Government of India has always been careful to make it clear that these officers have no special claim or title to this high office, in the appointment to which we consider it important that the Government should be absolutely unembarrassed by any pledges given or expectations raised.

9. At the same time it appears to us undesirable that we should be so fettered as not to be able to appoint to the office of Comptroller General the person whom we might at the time consider best qualified therefor, merely because he might not be a member of the Covenanted Civil Service. The considerations which lead us still to advocate the maintenance of a special body of officers for our service in the Department of Finance and Accounts make it in our judgment proper that there should be no hindrance to our appointing to the office of Comptroller General a member of the Department, even though he be not a member of the Covenanted Civil Service.

10. Pending an alteration in the law, we shall conform literally to the requirements of the 24 and 25 Vic., Cap. 54, not only whenever we think it desirable to appoint an Uncovenanted member of the Department to be permanently Accountant General, but whenever we think it necessary to make such an appointment for more than three months; but we do not consider that temporary appointments for a term of not more than three months properly come under the provisions of the Act, and we propose, with Your Lordship's concurrence, to make such arrangements without going through the procedure prescribed by the 3rd section of the Act.

11. At present the chief Officers of Account in the Provinces administered by Chief Commissioners are ordinarily styled Deputy Accountants General, and we do not think that in any case we need assume that the title of Accountant General in the schedule attached to Act 24 and 25 Vic., Cap. 54, includes these offices, or that it is necessary in order to exclude them to maintain the rather incorrect title of Deputy Accountant General.

No. 207, dated 26th May, 1874.

No. 11. ] From—E. F. HARRISON, Esq., Comptlr. Genl., and E. GAY, Esq., Depy. Comptlr. Genl.,  
To—The Secretary to the Government of India, FINANCIAL DEPT.

We have the honour to report the result of the examination of officers of the 5th and 6th classes of this Department held on the 11th, 12th, and 13th instant.

\* \* \* \* \*

7. Experience shows that a few alterations would be advisable in the scheme for these examinations, and the opportunity might be taken to vary the text books.

8. The large numbers of papers required (13 for both standards) is found to be a severe tax on the time of the examining officers, while it occupies the candidates and the Accountant General at the place of examination the whole of the office hours of three days, and generally a part of a fourth. We think this might be amended in the following manner without loss in the completeness of the test.

9. Algebra to Quadratic Equations might be added to the admission examination; it is an ordinary branch of school education, which can be best tested by Educational officers.

10. Annuities and Compound Interest with the use of logarithms of numbers might then be removed from the Higher to the Lower Examination, where the subject would seem to be more appropriate, as it does not require official experience.

11. Political Economy might be removed from the Lower and Financial Statements from the Higher Examination, the Annual Statements of the Secretary of State being added to the Lower Examination.

12. For the Higher Examination the Departmental Codes might be omitted, and the Book-keeping and Comptroller General's Circulars made one paper.

13. This will leave five papers for the Lower and four papers for the Higher Examinations; and excepting tables of logarithms and annuities, no access to books should be allowed.

14. For Indian Polity no text book need be named: much information will be found on the subject in the evidence taken before the recent Parliamentary Commission on East India Finance, and a copy of this should be deposited in each Accountant General's office for the use of candidates.

15. Lastly, it will be better that the requirements of two-thirds marks should be a general injunction to the Examiners, and subject to their discretion rather than a rigid rule, and the minor arrangement for the conduct of the Examination might also be left to them.

No. 2273, dated 18th April, 1876.

No. 12. ] RESOLUTION—By the Government of India, FINANCIAL DEPT.  
Read the following Resolutions:—

No. 5126, dated 4th December 1857.

„ 84, „ 13th May 1862.

„ 6 G., „ 29th August 1862.

„ 1205, „ 5th July 1865.

„ 1705, „ 9th „ 1869.

Resolution No. 3116, dated 18th December 1871, laying down rules for the selection of candidates for admission to the Financial Department, and for the examination of officers of the Fifth and Sixth Classes of the Department.

Read again—

Report No. 207, dated 26th May 1874, from the Comptroller and Deputy Comptroller General, recommending certain modifications in the arrangement of subjects and detailed rules for conducting the Departmental Examinations founded on their experience as examiners.

**RESOLUTION.**—The Governor General in Council is pleased to approve of the proposed alterations in the rules.

2. The subject of “Algebra to Quadratic Equations inclusive” will be transferred to the examination for admission; the marks assigned to it will be as before, 250, raising the total marks obtainable to 1,250; no further change will be made in this examination.

3. The rules for the examination of candidates for admission to the service of the Government of India in the Financial Department, and of officers in the Financial Department, will henceforward be as follows:—

#### ENTRANCE EXAMINATION.

I.—Candidates for admission to the Department are selected from time to time according to the requirements of the service, three being named for each expected vacancy.

II.—The age of a candidate, when examined, must not exceed 25 years, and he must produce a certificate by a Government Medical Officer of physical fitness for service in the plains of India.

III.—The nominated candidates are examined in the subjects described in the first schedule attached to this Resolution, and (subject to the condition hereinafter stated) the candidate who obtains the highest marks is appointed to the first vacancy in the Sixth Class of the Department, the candidate who obtains the second place to the second vacancy, if there be more than one vacancy to be filled, and so on. No candidate is admitted to the Department who obtains less than 600 marks in all, or less than half marks in Arithmetic and Algebra.

IV.—A candidate is not allowed to compete at the entrance examinations more than twice.

V.—The examination is by written questions and answers; the questions being prepared in such manner as the Governor General in Council from time to time directs.

VI.—A candidate may be examined at any place where arrangements can be made to secure the integrity of the examination.

#### DEPARTMENTAL EXAMINATIONS.

VII.—A half-yearly examination is held for officers in the Fifth and Sixth Classes of the Department (on the Mondays next after the 10th May and 10th November, and following days) in the subjects detailed in schedules II. and III annexed to this Resolution. These examinations are styled the Lower and Higher Departmental Examinations respectively.

VIII.—An officer who shows, at any departmental examination, a competent knowledge of all the prescribed subjects, and obtains half marks in the aggregate, is held to have passed the examination. An officer is, however, permitted to pass each of the departmental examinations in two instalments, if he notifies his intention beforehand, and specifies the subjects in which he is prepared for examination. In such case a higher standard of knowledge is required.

IX.—As a rule, a candidate failing in one of the subjects specified is re-examined in the whole; but, in case of marked excellence in a subject, the

examiners may exempt the candidate from re-examination in such subject even although he may have failed in others.

X.—An officer who does not pass the Lower Departmental Examination at the fourth or some earlier examination, and the Higher Departmental Examination at the eighth or some earlier examination, after he joins the Department, ceases, without further orders, to belong to the Department from the date on which the result of the examination is declared. Provided that if, before the said fourth or eighth examination (as the case may be), the officer have obtained leave of absence on medical certificate for more than three months, he is allowed to remain in the service for six months longer, in order to present himself at one more examination.

XI.—Upon passing each departmental examination, the pay of an officer of the Sixth Class is increased, from the date on which the examination ends, by R50 a month. The pay of an officer of the Sixth Class who has passed the Lower Examination is R250, and that of an officer of the Sixth Class who has passed the Higher Departmental Examination R300 a month.

XII.—An officer is not promoted substantively to the Fifth Class until he has passed the Lower Departmental Examination, and to the Fourth Class until he has passed the Higher Departmental Examination.

XIII.—Officiating appointments to the Fourth and Fifth Classes are made after consideration of the order in which officers have passed the departmental examinations.

XIV.—The departmental examinations are conducted at the local Account offices, in the presence of the Accountant General, and under the direction of the Comptroller General and Deputy Comptroller General, who decide upon the marks to be awarded to each examinee. If these officers differ as to the marks to be assigned to any answer, the Secretary to the Government of India in the Financial Department decides finally between them.

#### GENERAL RULES.

XV.—The rules for conducting all the examinations are as follows :—

- (1) The examination papers are sent in a sealed packet, not to be opened till the examination begins, each cover containing a separate sealed envelope for each paper sent; these envelopes must not be opened until the papers are required for distribution. An index number is assigned to each candidate. This index number is to be entered by the candidate on each of his papers, *instead of his name, which is nowhere to appear on the proceedings.*
- (2) The several papers should be given out singly, and the hour at which each paper is given out and received back is to be mentioned in the presiding officer's report. The exercises are to be worked out by the candidate in presence of the presiding officer.
- (3) The *questions* need not be written out by the candidate, but only the answers and solutions *in full*, with the number of the question prefixed. The answers may be first worked out on waste paper. The neatness of the candidate's papers is taken into consideration by the examiners in assigning values to his work. The paper should be of foolscap size, with the candidate's index number and the date, and the title of each subject at the head of the paper. The solutions as first written out fair are to be transmitted to the Comptroller General, without alteration or correction, immediately after the close of the examination.

- (4) The time occupied by the candidate in answering each set of questions, *i.e.*, the interval between receiving the examination paper and returning his papers to the presiding officer, is to be stated on the back of his paper of solutions. The time allowed for a paper is in no case to be exceeded.
- (5) The presiding officer must certify that the above rules have been strictly followed by signing the certificate below, and explain any accidental or unavoidable deviations :—

Certified that the examination of the candidates whose index numbers are \_\_\_\_\_, has been conducted strictly according to the Rules contained in the Resolution of the Financial Department, No. \_\_\_\_\_, dated the \_\_\_\_\_ as below :—

*Date of receipt of examination papers*

*Date of beginning of examination*

SUBJECT.	BEGUN.		ENDED.	
	Hour.	Minute.	Hour.	Minute.

(Signed)  
*Conducting the Examination.*

13. Candidates for the Lower Examination who are now in the Department, and who have not passed in Algebra, will be examined in that subject; and those who have already passed the Lower, but not the Higher, Departmental Examination, will be examined in annuities, compound interest, and the use of logarithms of numbers.

14. In order to avoid misapprehension, the Governor General in Council declares that nothing in this Resolution is to be understood as limiting the powers which the Government has throughout expressly retained of appointing gentlemen not in the Department to any office in any class of the Department whenever the interests of the public service require it. The Government will always appoint an officer belonging to the Department to a vacancy if there is such an officer of sufficient standing and experience and qualified for the office in every respect. But it must be emphatically understood that the officers in the Classified List have no monopoly of the departmental service other than that which the opportunities of their position diligently improved may secure to them.

15. The first consideration when a vacancy occurs in the Department will always be the efficiency of the public service; and no claim on the part of the officers of the Department will ever be allowed to stand in the way of the enlistment, in the higher offices of the Department, of officers of the Covenanted Civil Service, or even of gentlemen not in the service of the Government

at all, whenever it is thought that the public interests require, or will be promoted by, such enlistment.

16. Moreover, His Excellency in Council deems it proper to declare that the Government of India holds itself free, not only to appoint to any office in the Finance Department any one not an enrolled officer of the Department whose appointment is considered necessary in the public interest, but also to pay to the person selected for such appointment such remuneration as may be required in order to secure his services.

17. As regards Departmental Examination, this Resolution will take effect from the examination to be held in November 1876.

ORDERED, that the foregoing Resolution be published in the *Gazette of India*, and communicated to the Comptroller General, the Accountants General, and the Deputy Accountants General in independent charge, and to each candidate nominated to compete for admission to the Department, and to each officer on his appointment to the Department.

### SCHEDULE I.

#### EXAMINATION FOR ADMISSION TO THE FINANCIAL DEPARTMENT.

##### *Subjects for Examination.*

	MARKS.
Writing and Composition. Impromptu essay upon some given subject . . . . .	150
Arithmetic, including Compound Proportion, Simple Interest, and Vulgar and Decimal Fractions . . . . .	300
Algebra, to Quadratic Equations inclusive . . . . .	250
Latin, Greek, Sanskrit, French, German, or Persian . . . . .	200
English History and Literature, and Indian History (Elementary) . . . . .	200
Geography, Asia (especially India) and Europe . . . . .	150
	<u>1,250</u>

### SCHEDULE II.

#### LOWER DEPARTMENTAL EXAMINATION.

##### *Subjects for Examination.*

	MARKS.
Composition. A Précis of papers not seen before . . . . .	150
Annuities and Compound Interest, and the use of Logarithms of numbers* . . . . .	150
Book-keeping . . . . .	250
Indian Financial Statements (in England and India) . . . . .	200
Financial Department Codes . . . . .	250
	<u>1,000</u>

### SCHEDULE III.

#### HIGHER DEPARTMENTAL EXAMINATION.

##### *Subjects for Examination.*

	MARKS.
A Précis and a Draft . . . . .	200
Departmental Circulars . . . . .	250
Political Economy (Mill) . . . . .	300
Political and Revenue System of India, and the Statute Law bearing upon Revenue and Taxation . . . . .	250
	<u>1,000</u>

\* The use of tables will be allowed at the time of examination; with this exception, no books are permitted for any of the papers.

No. 2351, dated 28th April, 1876.

No. 13.] RESOLUTION—By the Government of India, FINANCIAL DEPARTMENT.

Read again—

Resolution in this Department, No. 317, dated 19th January 1876, in which the Comptroller General was requested to report how he proposed to give practical effect to the wish of the Government of India to constitute and maintain a separate reserve treasury under his custody to be opened as soon as the new contracts with the Presidency Banks are in operation.

Read—

A letter from the Comptroller General, No. 1663, dated 14th March 1876, proposing the following arrangements in connection with the reserve treasury to be constituted and placed under his custody :

- 1st—That the Comptroller General should be appointed Treasurer to the Government of India, and the Deputy Comptroller General, Deputy Treasurer, the second appointment being necessary to provide for the contingency of temporary absence.
- 2nd—That the principal account to be kept under the first clause of the agreement with the Bank of Bengal should be styled the account of the Treasurer to the Government of India.
- 3rd—That the Treasurer may keep in his own custody such part of the moneys of the General Treasury, Calcutta, as he may consider advisable, or as he may be directed to keep under any order of the Governor General in Council. The moneys will be deposited in the Paper Currency Office and the Native Treasurer and Establishment will be required to render such services in connection with the reserve treasury as they now perform for the Department of Issue.
- 4th—That the balances of the reserve treasury will be kept distinct from those of the Department of Issue.
- 5th—That the Master of the Mint should be directed to deliver to the Treasurer to the Government of India at the Currency Office all silver whole rupees coined at the Mint.
- 6th—That all officers in charge of Treasuries, except the Collectors of Calcutta and the 24-Pergunnahs, should be instructed to send to the Treasurer to the Government of India at the Currency Office all remittances in Currency Notes or in whole rupees which they may have occasion to remit to the Calcutta Treasury.
- 7th—That the Treasurer will not ordinarily receive into his own custody any sums of money except as above described.
- 8th—That he will from time to time pay to the credit of his account with the Bank of Bengal out of the reserve funds in his custody such amounts as may be necessary to enable the Bank to meet the demand upon the Calcutta Treasury, but he will not ordinarily make any other payments out of the funds in his hands.

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RESOLUTION.—The Governor General in Council approves of the foregoing proposals.

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ORDERED, that a copy of the above be forwarded to the Comptroller General for information and for the issue of such subsidiary orders as he may consider necessary. The proposed instructions to Treasury officers (6th proposal) should be issued by him.

Ordered also, that the foregoing Resolution be communicated for information and guidance to the several Local Governments and Administrations, to the Mint Master, Calcutta, and to the several Accountants General and Deputy Accountants General in independent charge.



No. 926 T., dated 19th June, 1876.

No. 14. ] From—R. L. MANGLES, Esq., Offg. Secy. to the Govt. of Bengal, Appointment Department,  
To—The Secretary to the Government of India, HOME DEPARTMENT.

I am directed to forward, for submission to the Government of India, the accompanying memorial, in original, addressed to the Right Hon'ble the Secretary of State for India, from certain members of the Covenanted Civil Service, on the subject of the claims of the Service to the chief appointments in the Account Department of the Government of India.

Dated 29th May, 1876.

No. 15. ] To—Her Majesty's Secretary of State for India in Council.

The memorial of W. AINSLIE and 93 others, members of Her Majesty's Indian Civil Service serving in Bengal.

Respectfully Sheweth,—That your Memorialists are members of the Bengal Covenanted Civil Service.

2. That by the 33 Geo. III., Cap. 52, Section 57, it was enacted that all vacancies happening in any of the offices, places or employments in the East India Company's Civil Service in India, should be filled up from amongst the Civil Servants of the Presidency wherein such vacancies should happen, and not otherwise.

3. That these provisions were in force when it was determined that India should be governed by, and in the name of, Her Gracious Majesty the Queen, and it was provided by the 21 and 22 of Vic., Cap. 106, Sections 30, 32, and 64, that the laws then in force regarding India should be binding on the Secretary of State in Council; and that all appointments to offices, commands and employments in India, and all promotions which, by law or under any regulation or usage or custom, were then made by any authority in India, should continue to be made subject to the qualifications, conditions, and restrictions then affecting such appointments; and further, that such persons only as had been certified by the Civil Service Commissioners should be appointed or admitted to the Civil Service.

4. That by the 24 and 25 Vic., Cap. 54, it was provided that all vacancies in the offices of Accountant General, Civil Auditor, and Sub-Treasurer, and all such offices created after the passing of the said Act, should be filled up and supplied from amongst the Covenanted Civil Servants of the Crown, save that under special circumstances, and subject to the approval of the Secretary of State for India in Council, such appointments might be made from among persons other than Covenanted Civil Servants,—but only provisionally.

5. That it was clearly the intention of Parliament, by the provisions of law hereinbefore set forth, to reserve for members of the Covenanted Civil Service the chief appointments in the Account Department of the Government of India.

6. That on this footing the requirements of the Covenanted Civil Service have from time to time been estimated, and recruits applied.

7. That, nevertheless, and in despite of the aforesaid provisions, the Government of India have declared that no distinction between Covenanted and Uncovenanted Servants of Government shall be recognised in the Account Department.

8. That since the passing of the Act 24 and 25 Vic., Cap. 54, only one member of the Covenanted Civil Service has been appointed to the said Department, although many of the members of that Service are fully qualified to discharge the duties of the Department.

9. That in pursuance of the same policy the Government of India have from time to time altered the title and designation of the offices described in the Act, contrary to the intent and purport of the Act aforesaid.

10. That your Memorialists have regarded these proceedings of the Government of India with much anxiety, as calculated to deprive them of offices and emoluments which it was the intention of Parliament to reserve for them.

11. That in 1870 His Grace the Duke of Argyll prohibited the appointing of Uncovenanted Officers to situations usually held by Civilians in the following words:—"The principle which Her Majesty's Government had steadily kept in view throughout the discussion on these furlough rules is that the Uncovenanted Service should be principally reserved for the Natives of the country, and that superior appointments, which require English training and experience, should be made as heretofore from England, and they look with great disfavour on the system which appears to be growing up in India, of appointing Englishmen in India to situations that ought only, as a rule, to be filled by Civilians who have gained their position by open

Financial Despatch, 10th March.

competition. I trust that the views I have now expressed will put a stop to the above practice."

12. That nevertheless, in December 1871, the Government of India made permanent arrangements for filling up vacancies in the said Department by appointing Englishmen in India.

13. That in the present year Your Lordship repeated the instructions referred to in paragraph 11, but that no change has taken place in the action of the Government of India.

Financial Despatch 43, February 1876.

14. In soliciting a favourable hearing, your Memorialists venture to hope that Your Lordship will pass such further orders as may be necessary to secure to them the position conferred upon them by Act of Parliament and repeatedly confirmed to them by Her Majesty's Government.

No. 1330 A., dated 7th August, 1876.

No. 16.] From—B. W. COLVIN, Esq., Offg. Secretary to the Govt. of the North-Western Provinces,  
To—The Secretary to the Government of India, HOME DEPARTMENT.

I am directed to forward a letter, dated the 31st of July 1876, from Mr. A. C. Tupp, together with a memorial from certain members of the Civil Service, regarding appointments in the Account Department, for transmission to the Secretary of State.

Dated 31st July, 1876.

No. 17.] From—A. C. TUPP, Esq., C.S.,  
To—The Secretary to the Government of the North-Western Provinces.

I have been requested by the gentlemen who have signed the enclosed memorial to submit it for the favourable consideration of His Honour the Lieutenant-Governor, and for transmission, through the Government of India, to the Secretary of State in Council.

I have the honour to forward with this letter five copies of the memorial, and it will be seen that it has been signed by ninety-six Civilians of from one to thirty-four years' standing, at present serving in the North-Western Provinces, the Punjab, Oudh, and the Central Provinces. I believe that a similar memorial has already been submitted by the Civilians of Bengal, Assam, and British Burma. It has been impossible in this memorial (as it was in the case of the Civilians' memorial of 1873) to attach the signatures of the memorialists in manuscript to each sheet of the memorial: but as the 1873 one was accepted in this form, I hope that no objection will be felt to receiving this in the same way.

I may add that I hold in my possession separate copies of this memorial, signed in original by each person whose signature is printed in these copies. A few signatures received after the memorial had been printed are attached in manuscript to two of the copies.

To—Her Majesty's Secretary of State for India in Council.

The memorial of G. P. MONEY and 95 others, members of Her Majesty's Indian Civil Service serving in the North-Western Provinces, Punjab, Oudh, and the Central Provinces.

[ See No. 15 above. ]

No. 332, dated 18th September, 1876.

No. 18.] From—The Government of India,  
To—The Secretary of State for India.

We have the honour to forward memorials from certain members of the Covenanted Civil Service in Bengal, setting forth an alleged statutory claim on behalf of the Covenanted Civil Service to the offices of Accountant General, Civil Auditor, and Sub-Treasurer.

2. In forwarding these memorials, we beg to refer Your Lordship to our Despatch No. 141, dated 14th April last, which contains a brief recapitulation of the history of the constitution of a separately organised Department of Finance and Accounts. Our views upon the question of our legal right to appoint any one not a member of the Covenanted Civil Service to the office of Accountant General are expressed in paragraphs 4 to 6 of that Despatch.

3. The offices of Civil Auditor and Sub-Treasurer no longer exist. It was the duty of the Civil Auditor to examine, before payment, all claims upon the public treasury: when the present system of post-audit was introduced, his functions ceased, except in the Presidency towns, where they are performed by an officer of inferior status, on much smaller pay: the Accountants General now audit the disbursements in the rest of the country. The functions of the Sub-Treasurers ceased absolutely when the Government business at the Presidency town was entrusted to the Presidency Banks, and no officers now exist whose duties are analogous to those of the Sub-Treasurers.

4. The reorganisation of the Department of Finance and Accounts which involved the procedure complained of in the memorials, was devised with much care and deliberation, and was definitely sanctioned by Lord Halifax (then Sir C. Wood) in his Despatch No. 1, dated 8th January 1863. It was introduced with the object of at once increasing the efficiency and reducing the cost of this branch of the Administration, upon the declared conviction that special and continuous training was essential to enable officers to discharge the duties of the Department with thorough success.

5. As already stated in our Despatch of the 14th April, the legal difficulties in the way of making the office of the Accountant General available to Uncovenanted Officers do not appear to have attracted the attention of Lord Elgin's Government or of the Secretary of State. But the measure was officially announced under the authority of Her Majesty's Government. It may possibly have been thought that, as observed in the 5th paragraph of our Despatch No. 141, dated 14th April last, the present office of "Comptroller General," then styled "Auditor and Accountant General," was that indicated in the Schedule of Act 54, 24 and 25 Vic., and not the existing office of Accountant General, which, at that time, bore the title of Deputy Auditor and Accountant General.

6. We do not ourselves entertain any serious doubt that it was the intention of the Statute that the chief offices in our Department of Finance and Accounts should, ordinarily, be filled by members of the Covenanted Civil Service and that the constitution of the Department in 1862 did contravene this intention, and therefore cause some injury to the Covenanted Civil Service. While we regret this injury, we observe that it was accompanied with a large reduction of the emoluments of the offices of the preferential claim to which the Covenanted Civil Service was thus deprived.

7. Under the present organisation, members of the Covenanted Civil Service are by no means excluded from the Department of Finance and Accounts; but the pay of the Department is fixed upon a scale not calculated to secure the services of members of the Covenanted Civil Service of suitable qualifications and standing. We were obliged to promise to the only Covenanted Officer whom we have admitted since 1862 (Mr. Westland) the emoluments enjoyed by the Covenanted Officers then already in the Department, instead of the much smaller emoluments fixed for the Department as reorganised in 1862.

8. We are unable to suggest any method by which the Government could retrace the step taken in 1862 (with no other object than the improvement of the public administration) without a considerable increase to the cost of this branch of the administration, and without a manifest breach of the faith of the Government as pledged to the officers admitted to the Department under the Resolution of 1862, and the various later orders modifying the constitution of the Department. This consideration militates also against the employment, saving under very exceptional circumstances, of Covenanted Civilians or of others not enrolled in the Departmental Service, although we

have reserved the right to resort freely to this measure when we deem it necessary.

9. We do not, in any case, think it necessary to reserve any of the offices of the Department permanently for the Civil Service, because we still consider that they can be, as a rule, filled more economically and with equal or at least with sufficient efficiency by a separate organisation such as now exists. We, therefore, adhere to the request made in our Despatch No. 141, dated 10th April 1876, that no offices in the Department may be included in the Schedule of the Government of India Bill now under Your Lordship's consideration.

10. We observe among the 190 signatures appended to the memorials the names of Judges of the High Court of Judicature at Calcutta, a Secretary to the Government of Bengal, the Accountant General, Bengal, and numerous other officers who can have no personal interest in the object of the memorials. We shall consider in the Home Department whether we ought not to take steps to discourage or prevent such combinations of members of the Civil Service for the attainment of common objects, and even, as in the present instance, of objects in which, perhaps, very few of the associates can have any personal interest.

No. 404, dated 26th October, 1876.

No. 19.]

From—The Secretary of State for India,

To—The Government of India.

I have considered in Council your Financial letter, dated the 14th April 1876, No. 141, relative to the present constitution of the Financial Department in India, and to the doubts which you entertain whether, under the Act 24 and 25 Vic., Cap. 54, you can appoint an Uncovenanted Servant to the Office of "Comptroller General," or to the office of "Accountant General," otherwise than by the special procedure prescribed by the 3rd and 4th sections of that Act.

2. The consideration of your observations, and of the state of the Financial Department generally, has led me to entertain very serious doubts as to the soundness of the principle on which it has been of late years, and is now, supplied with officers.

3. The Financial Department, independently of your Financial Secretary, the Comptroller General, and an Under-Secretary, who are Members of the Covenanted Civil Service, comprises the following six classes:—

Class I.—(Six offices), on salaries of ₹1,500 a month, rising by annual increases to ₹2,000 a month.

In this class there are four Covenanted Civil Officers, two Uncovenanted Officers who were originally appointed in India and one Uncovenanted Officer who was selected from a Government Department in this country.

Class II.—(Seven offices), on salaries of ₹1,000 rising to ₹1,500 a month.

This class comprises four Covenanted Civil Officers, two Uncovenanted Officers whose services were obtained from Government Departments in this country, and one Uncovenanted Officer who was appointed in India.

Class III.—(Eleven offices), on salaries of ₹800 rising to ₹1,000 a month.

All the officers in this class were appointed in India.

Class IV.—(Ten offices), on salaries rising from ₹600 to ₹800 a month.

With the exception of one officer, whose services were obtained from a Government Department in this country, all the officers were appointed in India.

Class V.—(Twelve offices), on salaries rising from ₹400 to ₹600 a month.

Class VI.—(Fourteen probationers), on salaries of ₹200 rising to ₹300 a month.

4. The Covenanted Civil Servants in the 1st and 2nd classes are not enrolled in the Department as constituted in 1862 and 1869, but their names are included in the lists in order to make up the sanctioned complement of each class. These officers draw salaries exceeding those which they would obtain in the classes in which their names are included.

5. As a rule, admission to the 6th class of the Department is obtained by a competitive examination of three candidates who are nominated on each vacancy; but while officers, once admitted, are eligible for succession to the higher classes, the Government reserves the right of appointing Covenanted Servants to the Department, and at salaries exceeding those which are obtainable in the ordinary course of succession in the Department. There is obviously at present no certainty that when a vacancy in the higher Financial offices occurs it can be adequately filled from the officers of the Department, and an instance to the contrary occurred in the year 1873, when a Covenanted Civil Servant was appointed to the 2nd class without passing through either of the lower classes, receiving at once the maximum salary of the 2nd class.

6. The administrative business of Finance, though intimately connected with the duties of accounting, is of a different nature and requires very different qualifications. It is indispensable to the efficiency of a financial officer that he should have a thorough knowledge of accounts, but there is much of the work of keeping accounts that may well be performed by officers and clerks who would not be likely to become efficient financiers. If this distinction be duly recognised, it appears to me that there is no reason why an arrangement could not be made under which members of the Covenanted Civil Service should be employed in the Department of Finance and Account in a manner that should secure the provision of recruits for the higher financial posts, wholly from that service, possessed of the requisite technical knowledge of accounts, while the less important but more special duties of the Account Branch might be supplied by Uncovenanted Servants, many of whom should be Natives of India.

7. It would be very important that young Civilians who might desire to enter the Financial Department should have previously acquired a competent knowledge of the general administrative business of the country, and their admission to that Department would necessarily be dependent on their satisfying your Government of their fitness for financial work.

8. I request that you will take this subject into consideration, with the object of making such modifications as may be consistent with the views which I have now expressed, and as may be necessary to make the Department equally attractive as other branches of the public service to Covenanted Civilians.

9. I foresee the probability that such a modification as I have indicated may be impracticable without some increase of the salaries attached to Financial offices, but I deem it of such paramount importance to secure a succession of thoroughly trained officers for that Department that I shall be prepared to sanction any reasonable additional charge which you may consider necessary.

10. In any arrangement which you may propose, due regard will of course be paid to the just claims of all those officers who have already entered the Department, but it will be desirable to make no fresh nominations, except with the distinct understanding that they are subject to any future changes in the constitution of the office.

11. I do not consider it necessary to specify the offices which should be comprised within the Department of Finance, contenting myself at present with indicating the general principles on which the arrangements should be based, and I shall be anxious to receive a communication from you on the subject as early as practicable.

12. Since the foregoing paragraphs were written, I have received your Financial letter, dated the 18th September 1876, No. 332, forwarding two

memorials from Covenanted Civil Servants serving in Bengal, the North-West Provinces, Punjab, Oudh, and the Central Provinces, representing that it "was clearly the intention of Parliament by the provisions of the law to reserve for members of the Covenanted Civil Service the chief appointments in the Account Department of the Government of India," and soliciting that such orders may be issued as will secure to them the position conferred by Act of Parliament, and confirmed by Her Majesty's Government. In forwarding the memorials, you state that you are unable to suggest any method by which the Government could retrace the step taken in 1862, "without a considerable increase to the cost of this branch of the administration, and without a manifest breach of the faith of the Government, as pledged to the officers admitted to the Department under the Resolution of 1862, and the various later orders modifying the constitution of the Department."

13. After a consideration of these memorials and of your observations, I see no reason to modify the views expressed in this Despatch in regard to the constitution of the Finance Department.

14. On the claim of the Covenanted Civil Servants to succeed to certain offices in the Finance Department, I shall communicate with you in a separate Despatch.

No. 1711, dated 14th March, 1877.

No. 20.]

From—E. F. HARRISON, Esq., Comptroller General,

To—The Secretary to the Government of India, FINANCIAL DEPARTMENT.

In compliance with the orders of the Government of India, I have the honour to submit the following remarks on the subject of the constitution of the Department of Audit and Account.

2. The Secretary of State, in his Despatch of the 26th October, points out the distinction between the qualifications required for the efficient discharge of the administrative business of finance and those demanded for carrying on the duties of accounting.

3. It appears to me that this distinction has hardly been sufficiently recognised by the Government of India.

4. It is true that much of the personal attention of an Accountant General has to be given to routine business and technical or mechanical details.

5. I cannot, however, doubt that the administration may derive the most valuable aid from the Accountant General attached to it, if the post is held by an officer of adequate capacity, who is encouraged and accustomed to study the effect of the financial measures of the Government, and that the importance of securing this aid becomes greatly increased with every fresh development of provincial finance.

6. The Accountant General in each Province should be an officer in every way fitted to take a leading part in the administrative business of finance; the necessary qualifications for the office will almost certainly be found more readily in the ranks of the Civil Service than in any other direction. I am therefore of opinion that it is by selection from the Civil Service that the principal offices of the Department should ordinarily be filled.

7. I would not indeed place any absolute bar on the appointment to any Financial office of a gentleman, whether a Native of India or otherwise, whose acquirements, public character, and special aptitude may point him out as the person whose nomination would best serve the interests of the public service.

8. In order to admit of a proper freedom of selection for the important office of Accountant General in each Province, I think that the Accountant General of the principal Provinces, *viz.*, Madras, Bombay, Bengal, North-Western Provinces, and Punjab, should be removed from the Classified List of the Department, the following scale of salary being attached to these offices:—

	R
Accountant General, Bombay . . . . .	3,000
"    "    Madras . . . . .	1 at 3,000
"    "    Bengal . . . . .	1 at 2,500
"    "    N.-W. P. . . . .	1 at 2,500
"    "    Punjab . . . . .	1 at 2,000

9. Three other of the superior appointments may, with advantage, be excluded from the Classified List; these are the Assistant Secretary, the salary assigned to the gentleman holding

this appointment will probably be always fixed in practice with reference to personal considerations; the Deputy Comptroller General and the Inspector of Local Offices of Account; to each of the two latter offices a salary of R2,000 might be assigned.

10. In addition to the removal of eight of the superior offices from the Classified List I would remove 13 of the lower offices now in the Classified List, leaving these appointments to be made by heads of offices.

11. The 5th class of the Department as now constituted was formed by including in it the superior clerks of the several offices. I have little doubt that there would be a general agreement of opinion among those whose experience extends back to 1862, that the change in this respect then made injured the efficiency of the offices, by reducing greatly the value of clerkships in taking away from the clerks the principal prizes to which they could look forward, and by giving Accountants General mere beginners instead of men of great experience as Superintendents of the principal sections of their offices.

12. It appears to have been part of the scheme of 1862 to recruit the Classified List in part from the office establishments; had this been carried out to any extent, no doubt additional value might have been given to the clerkships; but after the first year or two very few nominations of this character were in fact made, and for several years there have been no selection from this class.

13. I think it would be better to exclude the assistants employed in the Currency offices at Calcutta and Bombay from the Classified List.

14. I think that very considerable inconvenience is likely to occur if there are frequent changes in the officers who have immediate charge of the Currency offices.

15. Hitherto this inconvenience has not been felt in Calcutta; for several years the two assistants in the Currency office were both men advanced in years who did not look for advancement in the general line of the Department; one of these gentlemen is still in the office; the gentleman who now occupies the other or senior assistantship, has only been in the office one year, but cannot be kept in it much longer without injury to his own interests, although to move him would be detrimental to the interests of the service.

16. At Bombay the Currency Department has for several years been very indifferently represented; the assistants in the Currency office have been among the least competent or least promising men in the Department, and it is in Bombay that the crime of forgery of currency notes has most frequently occurred and has been most systematically pursued. It is doubtful whether the action of the Bombay office has been satisfactory in dealing with cases of stolen notes, and it seems quite possible that if officers of greater intelligence and experience had been employed, some greater check might have been applied to wrongful dealing in stolen and forged notes.

17. I would propose that a further reduction should be made by reducing the number of probationers. The present number (14) is fixed in view to the Department being recruited solely from this source; if however the Department is to be reduced in numbers and to be supplied in part from the Civil Service, the number of probationers should be considerably reduced.

18. The following is the scale which I would recommend for adoption as being in my opinion best calculated to secure full efficiency for the Department and to give effect to the views of the Secretary of State.

1st Class (salary R1,200 to R1,600) 5 offices:—

Accountant General, British Burma . . . . .	1
"    "    Central Provinces . . . . .	1
Deputy Accountant General, Bengal (or N.-W. P.) . . . . .	1
"    "    Madras . . . . .	1
"    "    Bombay . . . . .	1
	—
TOTAL	5
	—

2nd Class (salary R900 to R1,100) 9 offices:—

Assistants to Comptroller General . . . . .	2
Assistant Accountant General, Madras . . . . .	1
"    "    Bombay . . . . .	1
Deputy Accountant General, North-Western Provinces (or Bengal) . . . . .	1
"    "    Punjab . . . . .	1
Accountant General, Assam . . . . .	1
Accountant, Hyderabad . . . . .	1
"    Mysore . . . . .	1
	—
TOTAL	9
	—

3rd Class (salary R600 to R800) 8 offices, 5 unattached :—

Assistants to Comptroller General . . . . .	2
Assistant Accountant General, Bengal . . . . .	1
"    "    "    Madras . . . . .	1
"    "    "    Bombay . . . . .	1
"    "    "    North-Western Provinces . . . . .	1
"    "    "    Punjab . . . . .	1
"    "    "    Central Provinces . . . . .	1
Unattached . . . . .	5
	—
	TOTAL . 13
	=

4th Class (Probationary) to consist of not more than 5, and the salary to be fixed at R300.

19. The Department, as now constituted, consists of 60 persons, providing for 46 offices, and 14 junior unattached officers, most of whom, though styled probationers, have passed their probationary course, and are employed in one of the 46 offices, in vacancies caused by the absence of officers on leave or deputation.

20. I have proposed that 13 of the lower offices in the list should be removed from the list and added to the fixed establishment of the offices concerned.

21. Of the remaining 33 offices, I have suggested that the 5 principal Accountants General, the Deputy Comptroller General, the Inspector of Account Offices, the Assistant Secretary, and three Currency officers should be excluded from the classification; this leaves 22 offices to be supplied, which, with 5 unattached officers and 5 probationers, accounts for the proposed Classified List of 32.

22. I recommend that all appointments to the office of the Comptroller General or to those of the Deputy Comptroller General, or Inspector of Account Offices, or of any of the 5 principal Accountants General, be made by selection, either from the Covenanted Civil Service, or from the first class of the Department, and that all appointments to the first or second class should be made either by selection from the Civil Service, or by promotion from the class below, and that appointments to the third class be made either by selection from the Civil Service, by the appointment of persons who have proved their special aptitude in a subordinate or other position, or by the appointment of persons from the probationary class.

23. Appointments to be made by the Government of India to the probationary class by the nomination of young men of good education under such regulations as may be laid down from time to time.

24. It will probably be best to dissociate the office of Assistant Secretary from the Department.

25. Appointments to the three Currency assistantships, it would often be of advantage to make by selecting men of mature age and high character by way of reward for good service in some other branch of the Government service, rather than that the appointment should be held for a short time by a succession of junior officers of the Department.

26. The qualities most required for the office of Assistant Commissioner in the Currency Department are careful regular business habits and trustworthiness; whenever an officer in the graded list of the Department is placed in one of these appointments, he should, I think, be seconded.

27. My reasons for providing 5 unattached 3rd class officers and 5 probationers instead of 10 probationers are as follows :—

*1st*—If there is a large probationary class, it will be difficult to make appointments to any one of the three classes otherwise than by promotion from the class below or from the probationary class without disappointing the expectations of the gentlemen in that class, and a failure to give effect to that part of the scheme which proposes to recruit the Department to an important extent from the Civil Service would be likely to result.

*2ndly*—It is desirable that the Government should be able to give a permanent position in the Department to gentlemen required to fill the place of absentees, as otherwise it may not be easy to obtain the services of qualified persons to fill temporary vacancies, and it seems undesirable that probationers should be nominated to act in the third class on occasion of temporary vacancies but denied the permanent appointment on the occurrence of permanent vacancies.

28. The reduction from 14 to 10 of the number of unattached and probationary officers is justified by the reduction in the numbers of the Department and by the circumstance that it



is not intended to rely on the probationary class as the sole channel through which to obtain recruits for the Department.

29. I have recommended a great difference in the scale of pay assigned to the 3rd and to the probationary class, regarding the pay of the latter class rather as subsistence allowance paid to young men while qualifying themselves for engagement in the Government service than as the salary of officers holding a more assured position.

30. It is a matter of some little difficulty to deal satisfactorily with the expectations of the officers employed in the Department as now constituted, so far as they may be injuriously affected by the change.

31. As the Department on the proposed footing will, apart from the statutory difficulty owing to the reservation of the office of Accountant General to the Civil Service, offer the prospect of the possibility of advancement beyond that offered by the present scale, I think that this consideration goes far towards compensating junior officers for the removal of the higher offices from the graded list.

32. As a temporary expedient, I would propose that a temporary supernumerary class should be formed, to consist, in the first instance, of the gentlemen holding the offices which, it is proposed, should be added to the office establishment list of the offices concerned.

33. No new appointments to the supernumerary class should be made except from the probationers who may be now on the list of the Department.

34. It seems proper that there should be some understanding as to the proportion of appointments which should be made from the Civil Service to the Account and Audit Department.

35. It would perhaps be a good arrangement if, out of the 27 offices forming the first three classes, 7 were held by nominees from the Civil Service; this proportion cannot, however, be attained until the temporary supernumerary class shall have been considerably reduced in numbers; it may be said that so long as the supernumerary class numbers more than 5, the appointments in the three grades of the Classified List held by the Civil Service will not exceed 3.

36. No fresh appointment to the probationary class should be made until the supernumerary class shall have been reduced to 7.

37. If these arrangements should be generally approved on their merits, it remains to be considered how far they can be adopted, having regard to the provisions of the Act reserving certain offices to the Civil Service.

38. The reserved offices in the Financial Department are the following :—

Accountant General.  
Civil Pay Master.  
Sub-Treasurer.

The third of these offices no longer exists: the second has been altered in designation, having merged in the office now styled Deputy Accountant General; the designation of the office of Accountant General to the Government of India has been changed to Comptroller General.

39. There is room for doubt as to the offices to which the statutory restriction applies; they appear to me to be as follows :—

Comptroller General,  
Deputy Comptroller General,  
5 Accountants General, and  
5 Deputy Accountants General,

namely, those for Madras, Bombay, Bengal, North-Western Provinces, and Punjab.

40. There are certain other offices to which the name of Accountant General or Deputy Accountant General has, of late years, been applied; but they are all of inferior status, and I do not think the restriction can be considered to affect them.

41. The proposals which I have suggested for consideration are intended to provide for the employment of a considerable number of men of the Civil Service in the General Account Department, but they contemplate the appointment to any office in the Department of persons from a graded list, the majority of which will not be members of the Civil Service; these proposals therefore cannot be carried out without some modification of the schedule of offices attached to the Act.

42. The comparative cost of the present and proposed establishment is as follows :—

Present Establishment.	R		Minimum.	Maximum.
	R	R	R	R
Comptroller General	...	...	3,500	3,500
I Class, 1,500 to 2,000—	(Special rates.)			
2 at 3,000	Minimum.	Maximum.		
2 at 2,500	11,000	11,000		
2 Class rates	3,000	4,000		
6	14,000	15,000	14,000	15,000
II Class, 1,000 to 1,500—				
1 Special rate	2,500	2,500		
2 " 2,000	4,000	4,000		
4 Class rates	4,000	6,000		
7	10,500	12,500	10,500	12,500
III Class, 11 offices	800 to	1,000	8,800	11,000
IV " 10 "	600 to	800	6,000	8,000
V " 12 "	400 to	600	4,800	7,200
VI " 14 "	200 to	300	2,800	4,200
61 (including Comptroller General)			50,400	61,400
Total recent establishment			50,400	61,400

Proposed Establishment.	R			
	R	R	R	
Comptroller General	...	3,500	3,500	
2 Accountants General at	3,000	6,000	6,000	
2 " " "	2,500	5,000	5,000	
1 " " "	2,000	2,000	2,000	
Deputy Comptroller General	2,000	2,000	2,000	
Inspector, Local Offices	2,000	2,000	2,000	
I Class, 5 at 1,200 to 1,600	...	6,900	8,000	
II " 9 at 900 to 1,100	...	8,100	9,900	
III " 13 at 600 to 800	...	7,800	10,400	
Probationers 5 at 300	...	1,500	1,500	
40		43,900	50,300	
3 Currency Officers 600 to 800	1,000	2,400	2,400	
Assistant Secretary, mean between present 1st and 2nd class pay	...	1,500	1,500	
13 Posts to be included in Office Establishment, average	500	6,500	6,500	
			54,300	60,700

No. 152, dated 4th June, 1877.

No. 21.]

From—The Government of India,  
To—The Secretary of State for India.

We have the honour to subjoin copy of a telegram addressed to Your Lordship by His Excellency the Viceroy on the 22nd May 1877 :—

"May we expect the separate Despatch promised in fourteenth paragraph of Despatch No. 404, dated 26th October? We find it difficult to dispose of the matter till it comes."

No. 222, dated 5th July, 1877.

No. 22.]

From—The Secretary of State for India,  
To—The Government of India.

\* Secretary of State, to Viceroy.

Yours, 22nd May. No prospect of early passing of Bill. Reorganisation of Financial Department should be proceeded with. Your view of existing law stated in 141 of 1876 concurred in.

With reference to your telegram, dated the 22nd May last, regarding the reorganisation of the Financial Department, I forward herewith copy of a telegram\* sent to your Government on the 28th ultimo.

2. As it is not probable that the Government of India Bill, alluded to in your Financial letter, dated the 14th April 1876, No. 141, will be proceeded with at present, I am desirous that the reorganisation of the Financial Department should not be postponed.

3. In your construction of the existing law, stated in the letter above referred to, I concur, and you will observe that the scheme of reorganisation indicated in my Financial Despatch, dated the 26th October 1876, proposes to extend and not to restrict the employment in the Financial Department of Covenanted Civilians.

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No. 228, dated 28th July, 1879.

No. 23.]

From—The Government of India,  
To—The Secretary of State for India.

Referring to Lord Salisbury's Despatch No. 404, dated 26th October 1876, and subsequent correspondence, we have the honour to forward, for Your Lordship's consideration, a Minute by our late Colleague, Lieutenant-General the Hon'ble Richard Strachey, upon the subject of the reorganisation of our Financial establishments.

2. Without pledging ourselves to adopt the suggestions made by General Strachey in all their details, we accept the general principles of the measures which he proposes in order to carry out the injunctions contained in Lord Salisbury's Despatch of 1876.

3. As soon, therefore, as we receive Your Lordship's sanction to those principles, we shall be prepared to frame, for your approval, a definite scheme based thereon, and so to dispose of this long-pending question.

4. It should be understood, however, that we are not confident that we shall be able to give practical effect to General Strachey's opinion, that the fiscal appointments mentioned in the 16th paragraph of his Minute should be incorporated in the Financial Department; also that we may find it necessary to annex local or personal allowances to some of the more important appointments at the Presidency towns of Calcutta and Bombay.

5. We think it necessary to observe, with reference to paragraphs 3 and 4 of General Strachey's Minute, that the systems of progressive pay and of seconding are at present widely spread throughout our service, and are not confined to our Financial Department, and that Section 6 and Chapter IX of the Acting Allowance Code were not devised specially to meet the requirements of the Financial Department.

6. We enclose two Minutes recorded by our Hon'ble Colleague, Sir Alexander Arbuthnot, dissenting from the principles embodied in General Strachey's Minute, in so far as they restrict the higher appointments in the Financial Department to members of the Covenanted Civil Service, and urging a reconsideration on this point of the instructions conveyed in Lord Salisbury's Despatch of the 26th October 1876; and another Minute by Sir John Strachey, stating his views upon the subject. Our Hon'ble Colleague, Mr. Stokes, concurs with Sir Alexander Arbuthnot and does not consider it necessary to record a separate Minute.

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No. 24.] *Minute by THE HON'BLE LIEUTENANT-GENERAL R. STRACHEY, —dated 9th January 1879.*

In a Despatch No. 404, dated 26th October 1876, the Secretary of State, after expressing doubts as to the soundness of the principles on which the Financial establishments are now recruited, desired the Government of India to reorganise them on the basis of securing, for the discharge of the duties of all the higher *financial* posts, as distinguished from those the duties of which are concerned only in *accounting*, the services of Covenanted Civilians.

I do not think it necessary to discuss the propriety of these instructions which, indeed, have my complete concurrence; and I shall assume that they have to be complied with, and that what remains for the Government of India to do is to give effect to them in the manner least likely to interfere with existing claims and expectations, and best calculated to strengthen the important branch of the public establishments concerned.

2. In the first place, it may, without hesitation, be said that the Financial Department must, in the future, as at present, be a mixed Department, partly composed of Covenanted Officers, partly of Natives or other Uncovenanted Officers. No sharp line of distinction can be drawn between the financial and accounting duties; and for the proper performance of the former some training at least in the latter is most desirable, if not essential.

This being so, it follows, in my opinion, for reasons such as those given in my Minute on the Native Civil Service, that a graded system of salaries is necessary, which shall, as far as practicable, give salaries equivalent to those given on the present system.

3. In the Financial Department, as now constituted, a system of promotion by annual increments of pay has been adopted, thus creating innumerable grades, and necessitating a special set of rules regarding acting allowances. It seems to me expedient that this system should be abolished. It is not economical; for the tendency is to give the maximum pay to every officer in a class. The sole argument in its favour is that an annual increase of pay prevents the disheartenment caused by slow promotion which sometimes occurs when the number of officers in each grade of pay is fixed. When the number of grades is sufficiently large, and they are close enough together, and a proper system of recruitment is observed, the necessity for annual increments should cease.

4. The complicated system of acting appointments which is common in most Departments is further exaggerated in the Financial Department by what are curiously termed "temporary substantive appointments," that is, temporary appointments in which the full salary is given. This, with other similar inconvenient practices, should be abandoned and replaced by the simple system suggested in my Minute already referred to.

5. The nomenclature of the appointments in this Department is also singular, and might be improved by getting rid of highly technical distinctions which are implied in such designations as "Assistant Accountant General" and "Assistant to the Accountant General."

6. There are, at present, sanctioned for the Financial Department 46 appointments, excluding the Secretary and Under-Secretary to the Government of India and the Comptroller General, besides 14 probationers. The number of Covenanted Civilians now employed is 5 with 1 absent on leave.

7. I consider that, to give effect to the Secretary of State's wishes, the number of Covenanted Officers should not be less than 12. This would allow of officers of this class being, as a rule, appointed to the posts of Accountant General in the five chief Provinces—Madras, Bombay, Bengal, North-Western Provinces, and Punjab—and leave 7 to be distributed among the minor Provinces, or to be posted as Deputies for the purpose of training for the more important charges. To secure the services of such officers, having reference to the emoluments in other branches of the service, the salaries assigned to them might reasonably range from ₹1,000 to ₹3,000 monthly.

8. In the tentative scale which I have drawn out, and which is annexed, it will be seen that there are altogether 19 officers with salaries of ₹1,000 and upwards; so that making allowance for the 12 Covenanted Officers, there would remain 7 posts with salaries above ₹1,000 for the other classes. At the present time there are 13 Uncovenanted Officers with salaries of ₹1,000 and upwards. At present, 5 Covenanted Civilians are actually doing duty; so that

the proposed addition to make them up to 12 will more than account for the reduction from 13 to 7 of the posts hereafter to be open to the Native or Uncovenanted class.

The proposals now made would give 13 appointments of ₹1,200 a month and upwards, of which 8 would be reserved for Covenanted Civilians, leaving 5 for other classes, the actual number of these now in receipt of ₹1,200 and upwards being 6. The difference adverse to the officers now in the Department, not in the Covenanted Service, is here much less.

On the whole, the distribution I have suggested seems to offer as fair an approximation to an equitable solution of the problem to be dealt with, so far as salary is concerned, as is likely to be attained.

9. If any of the Uncovenanted Officers now in the Department should hereafter rise to a position in which, having regard to their qualifications, they would appear to be entitled to advancement to a higher grade of salary than could be allowed them consistently with the new system of grading, any additional sum which it might be thought proper to give them to comply with the conditions under which they entered the Department would have to be passed as a personal allowance to the individual. In no case would claims of this nature extend beyond increasing salaries to ₹2,000, which is the maximum under the existing system. It does not seem probable that the consequences of any such personal adjustments of salary would be seriously onerous, or difficult to arrange.

10. A more important and more difficult point to settle to the satisfaction of the existing class of officers would be that of the future withholding from the Uncovenanted Officers, who might otherwise be declared qualified to hold them, the appointments reserved by Statute for Covenanted Officers. There is some uncertainty as to what these appointments really are, though no doubt the office of Comptroller General and the Accountant Generalships in the older Provinces would be included among them. The Statute must obviously overrule the mere order of the Government of India, which inadvertently included reserved posts, or some of them, among the offices offered to the Uncovenanted Financial officers. It can only be in very exceptional cases that the power of appointing other than Covenanted Officers to the reserved posts could properly be exercised; and we must trust that a sufficient number of the less important or special posts, which may be held to be excluded from the reserved list, will be found to satisfy the fair claims of the Uncovenanted Officers, and that these claims will otherwise be sufficiently met through suitable increments to salary, as above explained.

11. It may be noticed in passing that the Act of 1870 could not be made applicable for the admission of any but Natives of India to the reserved appointments, and that it can, therefore, give no relief to the Uncovenanted Officers of other classes.

12. I think it important that, excepting so far as may be otherwise required to comply with the Statute, and the obligation to maintain the standard number of Covenanted Officers in the Department to fill the most responsible offices, the claims to advancement to all posts and all grades shall be decided entirely on a consideration of the qualifications of the available officers, quite irrespective of the class to which they belong.

13. The admission of Covenanted Civilians to the Department should by preference be in the lowest grade assigned to them, with a salary of ₹1,000 monthly. Such salaries would presumably be sufficient to secure officers who have served not less than 7 or 8 years, and would have had district or other administrative experience, which would be most useful to them in the higher posts to which they might rise in the Financial Department. Admissions in any of the higher grades, however, should not be entirely prohibited; though, having in view the necessity of securing the requisite training and experience for the

superior posts, this would be an altogether exceptional course when the Department is brought into proper working order on the new system. In this sense, too, suitable tests should be prescribed for the advancement of the Covenanted Officers to independent charges. Obstacles should not be placed in the way of officers being transferred from the Financial lists to those of the Administrative Branch when it is desired by Local Governments and can be arranged without inconvenience. So far as it takes place, it will probably be directly advantageous to the Administrative Branch.

14. For the Native or Uncovenanted part of the Department, the existing rules of admission might be retained, with any extension in favour of the probationary admission of Natives to the exclusion of persons of European birth that experience might show to be practicable. If the liability to rejection during the term of probation was strictly interpreted and enforced; and none who did not give really solid proof of possessing the requisite qualifications within a reasonable time were permanently admitted into the Department, greater freedom of admission might be possible without loss of efficiency. To obtain more complete security in this respect, the term of probation might be extended, and more stringent tests applied at its close.

15. For some time to come, the admission of persons other than Natives may probably be desirable or necessary. But the less important posts in this Department are certainly among those that may, with great advantage and complete success be filled by Natives, and what is possible should be done to secure this result. The change of system under which the more responsible posts will be filled by Covenanted Officers, and which provides that a sufficient number of this class shall be admitted to the Department to secure this, will greatly diminish or wholly obviate the necessity for seeking elsewhere the abilities and qualifications which the present system was designed to obtain outside of the Covenanted Service.

The further explanations necessary in connection with the proposals thus made will be found in the tentative scale of graded appointments annexed.

16. Thus far I have confined my observations to the Financial establishments as now existing, but I am decidedly of opinion that there would be much advantage in classifying with these establishments the superior posts in several of the cognate fiscal branches of the service. Among these I should place the Opium Department, the Customs, Salt, and Post Office.

These branches of the administration are already either entirely or partially brought under the direct control of the Government of India, and the necessary tendency of the present financial policy is to bring them more under Imperial, and to separate them more completely from Provincial, financial control. By classing them generally together, and endeavouring as far as practicable to fill the superior posts in all these branches of the service from among the officers thus graded together, a large field for employment would be secured to all of them; and the inducements to the more able among the Covenanted Officers to enter these branches of the administration would be much increased. The high importance of attracting officers of superior ability to the Financial and Fiscal Departments is beyond question; and the Secretary of State has declared his readiness to assent to any really necessary increase of charge to ensure it.

17. Many of the appointments among those to which I have just referred are highly paid, though not specially onerous and not calling for unusual ability, and have in practice been filled, to a great extent at least, without much attention to the administrative capacity of the persons nominated to them. If these posts were added to those specially open to Covenanted Officers entering the extended Financial Department, it would go far to supply those increased inducements which I have referred to without any extra cost to the State.

Further, it is unquestionable that a knowledge of the working of the miscellaneous fiscal departments would be of great value in practical financial administration; and to bring the superior officers employed in those departments into relation with the Financial Department would be of considerable utility.

18. I am not prepared to give an opinion as to the exact extent to which the officers of the Fiscal and Financial Departments should be graded in one list. Probably those fiscal appointments only should be included which, as a rule, are not open to the subordinate officers; these are more or less completely graded in separate lists of their own. Thus the Deputy Opium Agents employed on local supervision would probably be excluded, as also the Preventive Officers in the Customs and Salt Departments, and the Post Masters of all grades, excepting, perhaps, those at the Presidency towns. Certainly all the posts commonly filled by Covenanted Civilians should be included.

19. This modification of system would lead to a transfer of the power of appointing some of the officers referred to from the Local Governments to the Government of India. But there is no reason to think that this would cause inconvenience, or need be attended by any want of attention to the reasonable claims of the officers of all Provinces to share in the distribution of the appointments to be classed as Financial. Arrangements could easily be made under which each Province in its turn could have offered to it a suitable proportion of the posts to be filled, subject, of course, to proof being given that every candidate was duly qualified.

20. It will be necessary to obtain the sanction of the Secretary of State to any plan that may be approved by the Government of India for the purpose in view, and it will, I think, be more convenient to submit to him in the first place, for his approval, a general proposal which shall explain the scope of the contemplated changes rather than to prepare a scheme in full detail of which after all he may not accept. When the general plan has been settled, the arrangement of details will be a matter of no difficulty.

Proposed Classification for Financial Department.

EXISTING SCALE.				PROPOSED SCALE.					
	APPOINTMENTS.	SALARIES.		Grades of Salary.	Amount of each class.	Amount corresponding to existing classes.	Appointments reserved for Covenanted Officers.		
		Sanctioned.	Actual.						
		R	R		R				
Class 1	{ 4 Accountants General . . . . . 1 Assistant Secretary to Government . . . . . 1 Deputy Controller General . . . . .	1,500 to 2,000	6 { 2,000 to 3,000	14,250	Class I { 1 at R3,000 1 " 2,750 1 " 2,500 1 " 2,250 1 " 2,000	5	12,500	6 officers at R14,300	There are 19 officers with salaries of R1,000 and upwards, of whom 12 will be Covenanted Officers, leaving seven places to be filled by other classes. The new Classes I and II will correspond with the old classes of the same numbers.
" 2	{ 1 Accountant General . . . . . 6 Deputy and Assistant Accountants General . . . . .	1,000 to 1,500	7 { 1,000 to 1,500	8,875	" II { 1 " 1,800 1 " 1,600 2 " 1,400 4 " 1,200	8	11,000	7 officers at R9,200	
" 3	{ 1 Inspector, Account Offices . . . . . 2 Assistants Controller General . . . . . 8 Deputy and Assistant Accountants General . . . . .	800 to 1,000	11 { 800 to 1,000	9,300	" III { 6 " 1,000 3 " 900 3 " 800 3 " 700	15	13,200	11 officers at R10,300	
" 4	{ 2 Assistants Controller General . . . . . 7 Deputy and Assistant Accountants General . . . . . 1 Assistant Commissioner of Paper Currency . . . . .	600 to 800	10 { 600 to 800	6,600	" IV { 4 " 600 4 " 500 5 " 450 5 " 400	18	8,660	12 officers at R5,250	
" 5	{ 4 Assistants Controller General . . . . . 7 Assistant Accountants General . . . . . 1 Assistant Commissioner of Paper Currency . . . . .	400 to 600	12 { 400 to 600	5,200					
TOTAL	46 Officers . . . . .	R35,600 min. to R48,700 max.		R44,225	TOTAL . 46 Officers . . . . .		45,350		The new Classes III and IV include the posts now distributed in Classes III, IV, and V.

NOTE.—There are five vacancies for which R2,000 have been added to the total amount of actual salaries. No change is proposed for the probationers.



No. 25.] *Minute by the Hon'ble Sir A. J. Arbuthnot,—dated 25th June 1879.*

I regret that I cannot agree with the suggestions made by our late Colleague, General Strachey, in his Minute of the 9th January last, regarding the reorganisation of our Financial establishments, or with the general principles upon which those suggestions are based. I have carefully studied the correspondence which has taken place on this subject, and am of opinion that the Government of India ought to ask the Secretary of State to modify that part of the orders contained in his predecessor's Despatch of the 26th October 1876 which provides for all the higher appointments in the Department of Finance and Account being filled from the Covenanted Civil Service.

2. It must not be forgotten that the plan of filling the higher appointments in the Department of Finance and Account entirely from the Covenanted Service was in force for many years, and that it was not until after it had been deliberately pronounced to be a failure that the present organisation was adopted. As a general rule, the good men of the Covenanted Service would not enter the Department. There were frequent complaints of inefficiency, and, after much discussion, it was settled in 1862 that the Department should be placed upon a new footing. It was accordingly formed into classes, salaries being assigned on a lower scale than those previously given for the corresponding duties when discharged by Covenanted Civil Servants; and it was announced that all appointments in the Department would be given "with a sole view to efficiency, without distinction of service, profession, race or religion." It was to form one service. The Government were to be at liberty to introduce officers from outside, and place them in one or other of the classes, from which they were to rise in the ordinary course. The Covenanted Civil Servants then in the Department were retained on the scale of salaries which they had previously enjoyed; but this was only a temporary measure. The intention was that, in course of time, the Department should be filled by men not in the Covenanted Service, procured either from England or in this country, according to circumstances,—men trained in accounts, and who would not look to employment in any other branch of the public service. For some time past an opinion has been expressed by some of the principal officers of the Department that the prospective exclusion of the Covenanted Civil Servants is a mistake, and that at present there is no certainty that, when a vacancy in the higher Financial offices occurs, it can be adequately filled from the officers of the Department. This view has been held by Mr. Chapman and Mr. Harrison, and has been admitted, though, I am disposed to think, with some reserve, by Sir W. Muir. It was opposed by Lord Northbrook, who did not think it desirable, as a general rule, that members of the Civil Service should be placed in the Financial Department. It has, however, been adopted by the Secretary of State, who desires that arrangements may be made under which members of the Covenanted Civil Service shall be employed in the Department of Finance and Account in a manner that shall secure the provision of recruits for the higher financial posts wholly from that Service, possessed of the requisite technical knowledge of accounts; while the less important, but more special, duties of the Account Branch may be supplied by the Uncovenanted Service, many of whom may be Natives of India. In order to secure this object the Secretary of State is prepared to sanction any reasonable additional charge that may be deemed necessary.

3. The principle of these instructions is embodied in General Strachey's proposals. Under his plan the posts of Accountant General in the five chief Provinces—Madras, Bombay, Bengal, North-Western Provinces, and Punjab—are, as a rule, to be held by Covenanted Civil Servants, besides the Comptroller Generalship and the appointments of Secretary and Under-Secretary, which latter appointments are only incidentally mentioned in General Strachey's Minute, and are not entered in the tabular statement appended to it. The

result apparently will be that hereafter no member of the Department not belonging to the Covenanted Civil Service will have the prospect of rising to a salary higher than R1,800, or, at the utmost, R2,000; while the salaries open to the Covenanted members of the Department will range up to R4,166-10-8 per mensem. I cannot think that this is a wise arrangement, or one calculated to promote the interests of the public service. On the contrary, I regard it as a very retrograde measure which is certain to be prejudicial to the efficiency of the Department, and which it will be impossible to maintain for any length of time. It may be the fact that of late years the Covenanted Civil Servants who have filled the higher offices have been able men; but it cannot be said that this has been the general experience of the past; and on this point I see much force in Lord Northbrook's remarks that, "generally speaking, accuracy in accounts is not the characteristic of the Civil Service;" that "it requires a special training, and a class of intellect which we are not likely to secure by public competitive examinations;" that "methodical treatment of accounts can only be secured by employing men who have spent their whole lives in the particular work;" and that "it is impossible to secure this, if the Department is to be filled to any considerable extent by members of the Civil Service;" for "the moment their pay becomes a trifle less than that enjoyed by others of the same standing, they will wish to go, and there will be a constant succession of men in the higher offices of the Financial Department, whose training in accounts must necessarily have been superficial." There is, I cannot but think, a good deal of truth in these observations, and therefore it appears to me that it would be a mistake, looking only to the efficiency of the higher offices, to rely upon the Civil Service for providing for all the higher offices in the Financial Department; but taking the opposite view, and assuming, for the sake of argument, that the higher appointments in the Financial Department, as in other branches of the public service, can be thoroughly well filled from the Civil Service, I still think that, regarding the question from a more comprehensive point of view, it would be a mistake to fill those appointments from this source exclusively. Such a measure could hardly fail to exercise a bad and disheartening effect on the junior members of the Department, deadening ambition, damping energy, and destroying that spirit of emulation and honourable pride which is the soul of official as of all other work. Looking to the scale of salaries in India, R1,800, or even R2,000 per mensem, is a comparatively low salary, when fixed as the maximum salary to which the great body of officials in an important department of the administration can aspire; but worse than the reduction of the emoluments would be the disheartening effect of the reduction of status, and of both social and official position, arising from the exclusion of the Uncovenanted members of the Department from all the higher and more independent offices. In a Department which so eminently needs special training, it may not infrequently be advisable to introduce into it men, like Mr. Gay and Mr. Halyburton, who have received a special training in the London offices of account; but it is hardly to be expected that such men will enter the Department, if they are to be deprived of all prospect of rising to the higher offices in it, however great their ability, and however zealous their discharge of their duties. Even in the case of men who are appointed in this country at the bottom, the result of such an exclusion can hardly fail to be very discouraging and detrimental to efficiency. It has been alleged that the greater *esprit de corps*, the greater independence of character, and the superior social status of the Covenanted Civil Servants render them pre-eminently qualified for the higher offices in the Department. I am not likely to unduly depreciate the qualities of the service in which the best years of my life have been passed; but I cannot perceive in what respect the want of that *esprit de corps*, which usually characterises the members of a large service,

can render a trained Financial officer less efficient than he would be if he belonged to the more favoured service; nor can I admit that such men, as Mr. Gay, Mr. Halyburton, or Mr. Fitzgerald, or others whom I might name, are in any way inferior, either in social status, or in independence of character, to the Covenanted Civil Servants. Such comparisons are, in my opinion, unfounded, and, in every point of view, inexpedient. The only point in which, as it appears to me, a trained Uncovenanted Officer of the Department of Finance and Account is necessarily inferior to a Covenanted Civil Servant is in respect of that practical experience in the revenue and executive administration which a young Civil Servant acquires as a subordinate District Officer, and this is a sort of experience which may be often valuable; but it may well be that the inferiority in this respect of the purely Financial officer is often more than counterbalanced by the superiority of the special training which he has received.

4. Another objection to the proposed exclusion of the Uncovenanted members of the Department from the higher appointments, and one which appears to me to have considerable force at the present juncture, is that such an exclusion is inconsistent with the policy of recent years, which certainly is not favourable to any permanent increase in the numerical strength of the close service.

5. From what is said in the papers of the present *personnel* of the Department, I have no doubt that, for some time to come, it may be desirable to continue to employ Covenanted Officers in several of the higher appointments, and also that the scale of salaries sanctioned in 1862 is insufficient to attract and retain good Covenanted Officers. Partly for this reason, and partly because the present sanctioned scale compares unfavourably with that in force in most of the great Departments of the State, I would raise it to the extent proposed by General Strachey, making, however, all the appointments, including the Comptroller Generalship—and I am disposed to think all the appointments in the Financial Secretariat—open to the Uncovenanted members of the Department as well as to Covenanted Officers, and assigning the same salaries to Covenanted as to Uncovenanted Officers, subject to a reduction of one-third in the case of the higher appointments when held by Natives of India. To assign to a Covenanted Officer a salary very much in excess of the salaries assigned to other officers in the same class is, I think, open to very grave objections, and is certain to excite heart-burning and discontent, and thereby to impair the efficiency of the public service. In the Financial, as in other mixed Departments, the same scale of salaries, subject to the exception noted above, should be assigned to all officers performing the same duties. Any other arrangement is, in my opinion, utterly wrong in principle, and is certain to work badly in practice.

6. I would urge these considerations upon the Secretary of State, and would ask him so far to modify his orders as to provide that, while placing the higher appointments permanently upon such a footing as will admit of Covenanted Civil Servants being employed in them, the Uncovenanted members of the Department shall not be debarred from the prospect of rising to them.

7. In making the foregoing remarks, I do not overlook the fact that, as regards these appointments, it is doubtful whether the Resolution of 1862 does not conflict with the law under which the Accountant Generalships are reserved to the Covenanted Civil Service; but this difficulty can be overcome either by providing for the exclusion of the officers in question from the list of reserved appointments contained in the third schedule of the "Government of India" Bill, which has long been under the consideration of the Home Government, as was recommended in our Despatch to the Secretary of State under date the 14th April 1876, or by conforming to the requirements either of 24

and 25 Vic., Cap. 54, or of 33 Vic., Cap. 3, whenever it may be deemed expedient to appoint an Uncovenanted Officer—European or Native—to one of these appointments. The latter would obviously be a clumsy expedient to adopt as a permanent one; but it would answer the purpose for some time to come; and should the proposal to exclude the Uncovenanted members of the Department from the higher appointments in it be abandoned, there can, I presume, be no doubt that the Home Government will consent to remedy the defect in the present law by legislation.

No. 26.] *Minute by the HON'BLE SIR J. STRACHEY,—dated 13th July 1879.*

The questions discussed in the Minute recorded by our Honourable Colleague, Sir Alexander Arbuthnot, on the 25th June, have already been the subject of protracted consideration, of voluminous argument, and of much difference of opinion.

It is not necessary at this stage that I should follow our Honourable Colleague through all the details of his Minute.

But I think it right to say that, for my own part, I entirely concur in the decision of Her Majesty's Government, that we should in future, as in the past, conform to the policy of Statute, and, as a general rule, appoint only Covenanted Civil Servants to the principal offices in the Financial Department. This general rule would, of course, be subject to exceptions; and although I think that these exceptions would be rare, Uncovenanted Officers whose ability and qualifications gave them extraordinary claims to distinction would be treated not less liberally in the future than they have been treated in the past. It follows that I could not join in any such remonstrance against that decision as is advocated by our Honourable Colleague, and that I deprecate any attempt to disturb it.

There is, doubtless, much to be said in favour of throwing open the public service in all Departments to unrestricted competition of selection. It has, however, been deliberately determined by Parliament that the more important offices in every Department of the Civil Administration in India shall be filled by a close service recruited by a system involving severe competition; and it must, I think, be admitted that this method has, on the whole, been fairly successful.

Till 1862, the chief offices in the Financial Department, as in all the other principal Departments of the Administration, were in the hands of the Covenanted Civil Service. I am aware that, at an earlier period, doubts were felt whether the attractions of the Financial Department were sufficient, as compared with those of other Departments of the Administration, to secure for it its proper share of the abler among the Civil Servants. But if there were any grounds for these doubts, the evil was remedied by an improvement of the position of the leading members of the Department; and the Covenanted Civil Servants in the Financial Department before the reorganisation of 1862 (some of whom still remain) were at least equal in ability to the average of their contemporaries. More recently, we have found no difficulty in obtaining for the Department Covenanted recruits with abilities of a high order, who have given us unqualified satisfaction.

Successive Financial Secretaries and Comptrollers General have, without exception, protested against the policy of making separate arrangements for manning the chief offices in the Financial Department of the Administration; and my own experience leads me cordially to agree with them in thinking that the Department gains far more by the experience acquired by its Covenanted members in the general administration and by their weight and influence as

members of the Covenanted Civil Service than it loses by their not having been trained in their early life to keep accounts. I do not think that one of the more experienced officers of the Department, Covenanted or Uncovenanted, would be found to question this.

My own experience and that of the heads of the Department satisfies me that the advantages to the superior officers of the Financial Department of a long training in the practical work of accountants may easily be overrated. An educated public officer of ordinary intelligence has no greater difficulty in speedily mastering the mysteries of the public accounts than he has in learning the details of any other of the various public duties which Covenanted Civil Servants are required to perform.

Of course, it is desirable that the officers chosen for the public service in the Financial Department should have manifested some special capacity for the class of subjects with which they will have to deal. But there is usually no difficulty in finding officers possessed of such preliminary qualifications; and, in fact, we have during the last few years added five Covenanted Officers to the Department, all of whom have proved well worthy of the confidence placed in them, and two (Messrs. Westland and Barbour) have shown unusual financial abilities.

In my judgment, we must look for further improvement in our administration in the Financial Department, less to a larger infusion of the technical element (which may be supplied with comparative ease at any time) than to a wider and more intelligent appreciation by the superior departmental officers of the general circumstances and requirements of the country. This I understand to be the principle of the decision of Her Majesty's Government, which I warmly approve.

Of the individual officers mentioned by Sir A. Arbuthnot, Mr. Halyburton never took part in the Civil Financial Administration, and I am unable to offer any opinion upon his merits as a public officer. Mr. Gay is undoubtedly a very valuable officer; and his exceptional qualifications and ability have lately been recognised by his appointment to the office of Accountant General. But we can less rationally expect to obtain a succession of Mr. Gays by any special system of recruitment than we can expect to find a succession of Mr. Westlands in the Covenanted Civil Service. Having a large field of selection, it is much more likely that we shall obtain a high average of financial ability in the Covenanted Civil Service than by training up for ourselves a narrow Financial Service which is most unlikely to produce many officers of first class merit. I must add that even Mr. Gay would, I am sure, admit that it would have been a greater advantage to him to have served for some years in the general Civil Administration than it would have been a disadvantage to have foregone his special training in the London offices. I do not think that such special training would have added much to Mr. Westland's value to us.

It must not be forgotten that the defects attributed to our Covenanted Officers for want of preliminary training are quickly cured with the lapse of time. Some of the Covenanted Officers who are supposed to have failed in the past had actually spent their whole lives in the Department. If the impression that they failed is correct, such failure cannot be explained by want of experience.

Personally, I do not shrink from saying that, in my opinion, it is a mistake to suppose that that rare and somewhat intangible gift—"financial ability"—is to be secured by any training, although, doubtless, it may, when previously existing, be improved by training. I cannot recall a single salient example of a statesman of accepted financial capacity having acquired his power by a narrow technical training in Account offices. Such capacity has always been developed by experience in the general functions of Government. It is such capacity

which is desirable in the principal officers of our Financial Department; and if we are to find it at all, we must look for it to the general body of our civil officers, and not to the few officers whose duties are confined to the important but narrow sphere of keeping the public accounts and auditing the public expenditure.

Especially must I oppose the suggestion that the officers of the Financial Department should have any recognised preferential claim to fill the offices of Financial Secretary and Under-Secretary in the Financial Department, or Comptroller General. These important offices have throughout been expressly excluded from all the schemes for the constitution of a separate Financial Department. I cannot conceive a greater mistake than to place the slightest restriction upon the discretion of the Government in selecting officers for the offices of Financial Secretary and Comptroller General other than the restrictions imposed by the general Statute. At the same time, I see no more reason for claiming for the Government exemption from that Statute in respect to these offices than in respect to any other equally important offices in other Departments of the State.

Lastly, I cannot agree with my Hon'ble Colleague in thinking the scale of pay proposed in General Strachey's Minute generally inadequate for the Uncovenanted members of the Financial Department. Comparing that scale with the pay of the officers of other Departments, such as the Educational Department, the Geological Department, the Public Works Department, &c., and having regard to the constantly growing number of educated gentlemen, both European and Native, I entertain no doubt that that scale will prove sufficient to attract to our service an abundant supply of well-qualified recruits. I say this without desiring to pledge the Government eventually to adopt the precise scale suggested by General Strachey, which may be found susceptible of improvement in detail when we come to work out our final proposition.

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No. 27.] *Minute by the Hon'ble Sir A. J. Arbuthnot,—dated 26th July 1879.*

Sir John Strachey appears to have misunderstood the main object of my Minute of the 25th June, which is to protest, not against the employment of Covenanted Civil Servants in the Financial Department, but against the exclusion of the Uncovenanted members of that Department from the higher appointments in it. My argument is, first, that we should widen, and not narrow, the field of selection; secondly, that we should not dishearten the subordinate members of the Department by depriving them of that incentive to good work which is furnished by the prospect of advancement.

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No. 28.]

No. 445, dated 13th November, 1879.

From—The Secretary of State for India,

To—The Government of India.

I have considered in Council Your Excellency's letter, dated the 28th of July, No. 228, relating to the reorganisation of the Financial Department in India, in which you forward a Minute recorded by Lieutenant-General Richard Strachey, when a Member of your Council. Without pledging yourselves to adopt his suggestions in all their details, you state that you accept the general principles of the measures proposed by him in order to carry out the instructions given in the Marquis of Salisbury's Despatch of the 26th of October 1876, No. 404, and that, on receiving my approval of those principles, you will be prepared to frame, for my sanction, a definite scheme based thereon, so as to dispose of this long-pending question.

2. It is not without regret that I find that after three years you are still unable to frame a scheme for the constitution of this Department, the lapse of time which has been allowed to occur having materially tended to aggravate the evils which attracted my predecessor's attention.

3. The points to which Lord Salisbury adverted as essential for the satisfactory working of the Department were that the distinction between the qualifications required of those charged with the duty of keeping accounts and those concerned with the administrative business of finance should be duly recognised; that arrangements should be made for the employment in the Department of a number of Covenanted Civil Servants sufficient to supply recruits for the higher posts, wholly from that Service, possessed of the requisite technical knowledge of accounts; while Uncovenanted Servants, and in many cases Natives of India, would be charged with the less important, but more special, duties of the Account Branch; and that such modifications should be made as would make the Department equally attractive with other branches of the public service to Covenanted Civil Officers, who, before entering it, should have acquired a competent knowledge of the general administrative business of the country, and should have satisfied you of their fitness for financial work.

4. General Strachey proposes to secure these objects by the establishment of a graded system of salaries in lieu of the present system of promotion by annual increments of pay, the fourth or lowest class rising from R400 to R600 a month, the third class from R700 to R1,000, the second class from R1,200 to R1,800; and the first class from R2,000 to R3,000; the whole comprising 46 officers as at present. Such a scale appears to me, without being unduly expensive, to be sufficiently attractive to answer the desired purpose.

5. In the "tentative" classification framed by General Strachey, there are in the first class, 5 officers with salaries of R2,000 and upwards; in the second class, 8 officers at salaries varying from R1,200 to R1,800; and in the third class, 6 officers at R1,000, besides others on lower salaries. Of the 19 officers who would thus be drawing salaries of R1,000 or upwards, General Strachey recommends that not less than 12 should be Covenanted Officers, and the remaining 7 posts be reserved for the Native or Uncovenanted class.

6. It is not, in my opinion, desirable to fix any proportion of the higher appointments for allotment to one or other branch of the Service, as any such reservation is calculated to create or perpetuate feelings of prejudice which it is most desirable to remove as far as possible, and to fetter your Government in the selection of the best officer for a particular post on the occurrence of a vacancy. By the East India Civil Service Act of 1861, certain appointments must be reserved to the Covenanted Service, except under very special circumstances; but, beyond this, it is to be desired that your Government should have the fullest discretion for the selection or promotion of the most competent men, with due regard for the just claims of those in the Department.

7. I entirely agree with Sir John Strachey that, in the selection of the Secretary and Under-Secretary to your Government and the Comptroller General, no restriction beyond those contained in the Act of 1861 should be imposed on the discretion of your Government. The only appointments, then, in the Department to which that Act seems to apply are those of Accountants General in Madras, Bombay, Bengal, the North-Western Provinces, and the Punjab. It would be convenient if these high posts could be so distinctly marked that there should be no misunderstanding as to there being reserved by law; but under the scale suggested by General Strachey, there would be some difficulty owing to the fact that the Accountant General of the Punjab is at present an officer of the second class, with a salary of R1,000 rising to R1,500. Unless your Government sees any objection, the difficulty might perhaps be removed by providing that, whenever a vacancy shall occur in that office, the title shall

be changed to that of Deputy Accountant General, thereby removing it from the reserved class and placing it in title, as it is already in grade and salary, on a par with the corresponding office in British Burma. In that case the scale might be thus arranged:—

Class I (appointments to which Acts 24 & 25 Vic., cap. 54, are applicable)—

1 at R3,000	} Accountants General in Bombay, Madras, Bengal, and North-Western Provinces.
1 „ 2,750	
1 „ 2,500	
1 „ 2,250	

Class II (nine appointments)—

1 at R2,000		
1 „ 1,800		
1 „ 1,600		
2 „ 1,400		
4 „ 1,200		
&c.,	&c.,	&c.

Such a classification, while showing clearly that the four appointments in class I were not, as a rule, open to Uncovenanted Servants, would leave to the latter the possibility of rising in due course, by merit and seniority, to the maximum salary, R2,000, provided by the scale of 1862; and any cases in which circumstances might seem to bear hardly on the position of those now in the Department, through the more general introduction of Covenanted Civil Servants, or the reduction of the salaries of the class in which they are now serving, may be dealt with by the grant of a personal allowance.

8. With regard to the introduction of Covenanted Civil Servants into the Department, I consider it essential that, as described in the 13th paragraph of General Strachey's Note, they should have previously had a fair amount of administrative experience, and that they should enter at an age when they can be duly trained in the financial work before being promoted to the higher posts. Probably there need not be more than five or six in the second and third classes at any one time; but provision should be made for their quitting the Department temporarily after a sufficient training, if necessary, and returning, for a time, to the work of general administration, so as to enlarge the sphere for your selection for the higher posts, without unduly interfering with the prospects of the Uncovenanted Servants. In no case should higher emoluments be paid to one officer than to another discharging the same or similar duties on the mere ground that the one belongs to the Covenanted and the other to the Uncovenanted branch of the service.

9. I do not agree in General Strachey's opinion of the advantage of including the superior posts in the Opium, Customs, Salt, and Postal Departments in the same classification as the Financial offices. The qualifications required for those fiscal branches are essentially different from those needed for the administration of finance; and I should regret to see officers likely to be useful in the latter Department attracted to highly-paid offices requiring less talent and very different qualities. Moreover, the extent to which local control must be maintained over the several sources of revenue would render it extremely difficult to include the officers presiding over the collection in any Department under the Central Government.

10. In the remarks contained in the 15th paragraph of General Strachey's Note, regarding the extent to which Native agency may be relied on for the lower grades of the Financial Department, I desire to express my entire concurrence. I am surprised to find that so large a number as 14 probationers is found necessary for a Department containing altogether only 46 appointments, a considerable proportion of which must necessarily be filled by the introduction of qualified officers in one of the higher classes. It is possible, however, that



the full number has not been appointed, as only five probationers are included in the printed list for May 1879.

11. In conclusion, while conveying to you a general sanction of the principles enunciated in General Strachey's Minute, with the exception of the points on which I have commented, I have to request that no time may now be lost in preparing a definite scheme for the reorganisation of the Financial Department of your Government.

No. 29.]

No. 102, dated 17th March, 1880.

From—The Government of India,  
To—The Secretary of State for India.

In reply to Your Lordship's Financial Despatch No. 445, dated 13th November 1879, we have the honour to submit for approval, in the form of a draft Resolution,\* a scheme for the reorganisation of our Financial Department, in accordance with the instructions of Her Majesty's Government.

\* Deposited.

2. In order that there may be no room for further misunderstanding in respect to the appointments which are reserved by Acts 24 and 25 Vic., cap. 54, to be filled from the Covenanted Civil Service, we have removed the five principal Accountant Generalships, or as we propose now to style them "Comptrollerships," from the list of the Enrolled Officers of the Department, and shall not again classify them with these offices.

3. After careful consideration and enquiry, we have come to the conclusion that we must adhere to the system of progressive pay now in force in the Department, and, moreover, apply that system to the five principal Comptrollers.

4. The administrative advantages of that system have led to its introduction in many Departments of the service, notwithstanding its inconveniences. Moreover, we hope to overcome these inconveniences, which are of a technical and mechanical kind, by suitable regulations; and they should not, in our opinion, be allowed to deprive the administration of a method which is preferred for more substantial reasons.

5. It is possible that the average cost of a progressive pay is not adequately represented by the formula which we use, namely, the minimum plus two-thirds of the difference between the minimum and the maximum, and that, for this reason, such pay is more acceptable to our officers. However this may be, we are advised that we shall not secure a regular succession of officers well qualified for the office of Comptroller in our principal Provinces, or the continuance in office of those whom we may appoint in the Department, unless we assign to the office either the progressive pay which we now propose, or fixed pay costing, according to our formula, much more. In any case, the progressive pay is likely, we are assured, to be decidedly more attractive than fixed pay of the same arithmetical value.

6. In respect to the five principal Comptrollers, we observe, further, that it would be a mistake to assume that emoluments which, in the present state of promotion in the Covenanted Civil Service, might, possibly, suffice to secure a competent candidate, will also suffice when the normal flow of promotion is resumed. Past experience convinces us unequivocally that, to obtain such well-qualified Comptrollers as we desire, we must assign to them emoluments rather in excess of the emoluments which are within the reach of the rank and file of our Covenanted Civil Service.

7. With reference to remarks in Your Lordship's 7th paragraph, we have to explain that the office of Comptroller, or as it is now called Accountant General, is not in our opinion less important in the Punjab, and should not be less highly paid there than in the other principal Provinces. No Comptroller

has more onerous responsibilities than the Comptroller for the Punjab in respect to the difficult duty of moving and supplying funds for military and public works purposes. The appointment has always been reckoned as responsible as the rest. Mr. Rawlins' position in the second class, which Your Lordship notices, is *pro formá* only: like the other Covenanted Comptrollers, Mr. Rawlins has been in receipt of special allowances, and has not really belonged to any class at all.

8. The cost of the Department, as we propose to reorganise it, is estimated, as shown in paragraph 14 of the draft Resolution, at R55,108 a month, being R164 more than the present cost, which is R54,934, as follows:—

	R	
Comptroller General . . . . .	3,500	
	R	
Covenanted Accountants General—		
Two at R3,000 . . . . .	6,000	
Three at R2,500 . . . . .	7,500	
	13,500	
Uncovenanted Officers 42, costing R30,400—2,270—41,700*	37,934	
	54,934	

9. Only eight probationers will be required for the reorganised Department instead of 14 as now; but the cost of the preliminary training of the additional Covenanted Civil Servants to be henceforth employed in the Department must be set against the saving upon this item.

10. In the 10th paragraph of your Despatch Your Lordship criticises as excessive the number of 14 probationers hitherto employed. That number was fixed, not upon *à priori* considerations, but, by degrees, as experience proved it to be the smallest number that would suffice to allow to each probationer a year's training before he was called upon to act in one of the sanctioned offices of the Department. With our full complement of 14 probationers, we seldom had any probationer waiting for such employment who had been in our service for much more than a year, provided that he had been declared qualified for higher responsibilities.

11. Your Lordship will observe that we have provided local allowances for the officers selected to fill certain offices of exceptional difficulty or responsibility. In the absence of this device, we cannot select the best officers freely for such offices without inflicting upon them unmerited injury. For the most part the responsibilities of the several offices of the Department are evenly distributed; but there are some which are exceptional, and much practical inconvenience will result if we have not the means at hand for meeting such cases. Moreover, the grant, in particular, of local allowances to the two Deputy Comptrollers General will go far to compensate the Uncovenanted Officers of

* Class.	No.	Present scale and pay.			Minimum.	Maximum.
		R	R	R		
I	2(a)	1,500	100	2,000	3,000	4,000
II	7(b)	1,000	75	1,500	7,000	10,500
III	12(c)	800	50	1,000	9,600	12,000
IV	10	600	50	800	6,000	8,000
V	12	400	50	600	4,800	7,200
	42				30,400	41,700

(a) We have always had two first class Uncovenanted Officers, rating one of the Covenanted Accountants General in the 2nd class *pro formá*.

(b) Includes the newly-sanctioned office of Inspector of Local Fund Account Offices.

(c) Exclusive of the Comptroller General's Money Order Assistant, but inclusive of the Assistant Secretary, late Revenue, Agriculture and Commerce Department, and of a new assistant to the Comptroller General for whom application is now being made.

the Department for the injury to their prospects inseparable from the reorganisation; and, apart from this, special advantage is, in our opinion, necessary for the due encouragement of the Department.

12. The new ministerial appointments will probably be largely held by Natives of India. Of the 31 Enrolled Officers, three will be Covenanted Civil Servants, who will, presumably, be, usually, Natives of Great Britain. Of the remaining 28 officers, we have arranged for one-third being Natives of India. We do not consider that we could conveniently or safely enlarge this proportion at the outset.

13. Sir Alexander Arbuthnot dissents from the Resolution submitted with this Despatch, being of opinion that the exclusion of members of the Financial Department not being Covenanted Civil Servants from the six highest offices of the Department, which is practically involved in the 9th and 10th paragraphs of the Resolution, is opposed to sound policy.

No. 233, dated 15th July, 1880.

No. 30.]

From—The Secretary of State for India,  
To—The Government of India.

I have considered in Council the letter from your Government, dated the 17th March, No. 102, submitting for approval, in the form of a draft Resolution, a scheme for the reorganisation of your Financial Department.

2. In the proposition of General Strachey, the general principles of which were accepted by your Government, it was suggested that the salary of the Accountants General in the five chief Provinces should be ₹2,000, ₹2,250, ₹2,500, ₹2,750, and ₹3,000 per month respectively; and these salaries received the sanction of Viscount Cranbrook, though he suggested that in the Punjab the officer should be termed Deputy Accountant General, receiving a salary not above ₹2,000.

3. Your Government objects to this officer being placed in a lower class than that to corresponding appointments in other Provinces; and I am willing that he should rank in the same class with the other Accountants General. These officers you propose henceforward to designate as Comptrollers, but no reason is assigned for this change. The officers in question are well known by the title of Accountant General, and the title is one of those used in the Schedule to the Acts 24 & 25 Vic., Cap. 54, and, by retaining it, there is less reason to fear any confusion between them and the Controllers in the Military Department. I request, therefore, that the designation may not be altered.

4. Your Government has come to the conclusion that the system of progressive pay now in force in the Department must be maintained, and be applied to the five Accountants General, and that you will not be able to secure a regular succession of officers well qualified for such positions, or the continuance in office of those who may be appointed, unless you assign to these posts either the progressive pay which you propose, or fixed pay costing much more.

5. It is not the practice of the public service for the pay of very high officers to rise progressively. A fixed salary is usually attached to each particular office, according to its importance, and the promotion of a deserving officer is effected by his advancement to a more important and better paid position in the Department. Otherwise, under the system of graded appointments, the salary of the individual officer is not made to vary according to the particular office to which he is posted, but is ruled by his position in the graded list.

6. I see no sufficient reason for a different course in regard to the Accountants General in the Financial Department. The salaries which you propose for the five officers are R2,250, rising by annual increments of R100 to R2,750 a month, with local allowances of R250 to the officers at Bombay and Calcutta; the average monthly cost of such a scale would be R13,416. I consider that there should be two officers at R2,750, two at R2,500, and one at R2,250, local allowances of R250 being given as proposed by you to those at Calcutta and Bombay. The average monthly cost would therefore be R13,250.

7. The position of Accountant General at Bombay is of such importance that I consider it right that this should be one of the two salaries of R2,750, so that, with the local allowance, he would receive R3,000. The arrangement of the other salaries I leave to be determined by your Government; but I think that the highest amounts should be assigned to the most important position, and not that an Accountant General should rise by mere seniority, whatever his duties, to the largest salary assigned to this class of officer.

8. I do not think that the scheme now proposed by your Government provides for the introduction into the Department, or the training in the special duties of the Financial administration, of a number of officers from the Civil Service sufficient to meet the demand for the higher posts. Under the 18th paragraph of the proposed Resolution, it is possible that there may not be more than three such officers to supply vacancies occurring in six or seven appointments. At the same time, I recognise the difficulty of bringing more officers from the Covenanted Service into the Department without the risk of injuring the prospects of the Uncovenanted members. There is, however, one defect in the present system, as regards the provincial service, and it appears to me that the two evils may be remedied by the same measure, though at some additional expense. The arrangements for the control of the Provincial Governments over the revenue and expenditure have in the last few years assumed very much larger proportions, and in most cases there is no special officer appointed to conduct the correspondence on financial matters appertaining to those Governments.

9. It appears to me that in each of the five principal Presidencies and Provinces a Covenanted Civil Servant might be selected from those serving in that Province for the position of Assistant Accountant General, in which he should be trained under the supervision of the local Accountant General, at the same time being made available as an Assistant or Under-Secretary of the Local Government for financial business. In this manner valuable assistance would be afforded to the Local Government in the management of this very important branch of its duties, and a staff of officers would be educated from whom a selection could be made to fill the vacancies in the Financial Department. If their services were not eventually required by your Government to fill some one of the better paid appointments in the Financial Department, before the time arrived when they would reasonably look for further advancement, they would not have been removed from their own Province, and consequently would not have been injured in their local prospects. I leave it to your Government to arrange the apportionment of the salary of these five between your Government and the Governments of the respective Provinces. These officers will not be borne on the nominal list of the Department, and it is unnecessary that any allusion to them should be made in the Resolution about to be published for reasons similar to those which have led to the omission of any reference to the Covenanted Officers of your own Financial Secretariat.

10. In a similar manner, a Covenanted Civil Servant should be attached as a personal assistant to the Comptroller General, whose salary will of course be chargeable to your Government; but possibly this expense may be met by

arranging that one of the three Enrolled Officers of the Covenanted Civil Service should always be so attached, it being very desirable that every officer, before being appointed Accountant General, should have a practical training in the special class of duties conducted by the Comptroller General himself.

11. In regard to the second class, which will, under the revised scheme, become the first class of the Enrolled Officers, you propose that the maximum salary shall be Rs1,750, although as local allowances of Rs250 or Rs200 will be assigned to four of the Enrolled Officers, it is possible that an aggregate pay of Rs2,000 a month may be attained. I am not of opinion that a system of local allowances is suitable for this class of officers; and I think it will create needless ground of complaint if the limit of fixed salary held out to the most deserving be not fixed at Rs2,000. I have, therefore, to request that you will so rearrange the salaries proposed as to effect these two objects, while not exceeding the total general charge which would have been involved in the scheme proposed by your Government.

12. With regard to the language of the Resolution, I observe that in the 1st paragraph it is said to have been "finally declared that for the future the Government of India must hold itself free ..... to offer to" any person selected for an appointment in the Financial Department "such remuneration as may be required in order to secure his services." I think it would be better to omit this passage.

13. In the 8th and 12th paragraphs there seems to be some confusion as to the number of the superior ministerial appointments to take the place of the Enrolled Officers removed from the list.

14. In the 15th paragraph it is said that the emoluments of all the Enrolled Officers will, "as a rule," be regulated by the prescribed scale. It must be understood that it is a fixed regulation that the emoluments of the officers are not to be affected by the question whether they belong to the Covenanted or to the Uncovenanted Service. It is also said that "the Governor General in Council reserves to himself an absolutely free discretion to admit to the list of Enrolled Officers any person whom he may deem it to be for the interest of the public service so to admit." It should be added that this is subject to the general rule, that, except in the case of a Covenanted Civil Servant, the previous approval of the Home Government is necessary for any such appointment.

15. In the 16th paragraph it is said that "the Governor General in Council will at any time make such changes in the organisation now settled as he may think expedient." I consider that in the formation of the enrolled list and in any subsequent modification, care should be taken that the interests of officers already in the Financial Department do not suffer, if they are efficient for the discharge of their duties. The compulsory retirement of officers who are still capable of performing their work would not be conducive to economy.

16. I desire that the alterations necessary to carry into effect the objects of the foregoing observations may be made, and that the Resolution, when amended, may be forthwith published.

17. Further, I will only repeat what has been more than once stated by my predecessors in office, that I regard it as of the greatest importance that the superior officers in your Financial service shall be in every respect of equal ability with those holding the higher offices in other branches of the administration, and that, to ensure this, whatever inducements may be really necessary to draw into the Financial service officers possessed of the highest qualifications should, without hesitation, be offered. I have, therefore, considered it expedient to request your Government to introduce modifications into your proposals, which, if, as I anticipate, they operate satisfactorily in this direction, will amply justify the additional expense they will occasion.

No. 31. ] No. 3023, dated 28th September, 1880.  
 Telegram from—Viceroy, Simla,  
 To—Secretary of State, London.

*Financial Department scheme.*—Please allow us to raise the fifth Accountant-General also to R2,500, otherwise inferior officers only may be expected to enter Department, and there must be frequent changes in *personnel* of the lowest paid office. Also, after anxiously endeavouring to give effect to your orders, we are compelled to beg you to allow the local allowances proposed for the Uncovenanted Officers to stand. Most serious administrative inconvenience must, otherwise, result.

No. 32. ] Dated 13th October, 1880.  
 Telegram from—Secretary of State, London,  
 To—Viceroy, Simla.

Yours 28th September. I request that Financial scheme as sanctioned may be acted on and tried.

No. 33. ] No. 3577, dated 4th November, 1880.  
 RESOLUTION—By the Government of India, DEPARTMENT OF FINANCE.

Read again—

The following Proceedings relating to the reorganisation of the Department of Account and Finance :—

Proceedings, June 1876, Nos. 7-16.  
 „ March, 1879, Nos. 184-206.

Read also the following Despatches :—

To the Secretary of State, No. 228, dated 28th July 1879.  
 From „ „ No. 445, dated 13th November 1879.  
 To „ „ No. 102, dated 17th March 1880.  
 From „ „ No. 233, dated 15th July 1880.

RESOLUTION.—On the 12th April 1876, the Governor General in Council recited, in a Resolution\* the principal documents relating to the then existing constitution of the Department of Finance and Account.

2. In a Despatch † dated 14th April 1876, the Government of India, simultaneously, brought to the notice of Her Majesty's Secretary of State an apparent conflict between the proceedings recapitulated in that Resolution, and Acts 24 and 25 Vic., Cap. 54, under which an Accountant General, like the other principal civil officers of the Administration, must, saving under an exceptional procedure, be a member of the Covenanted Civil Service, and made certain propositions for the remedy of this conflict.

3. Subsequently memorials were addressed to the Secretary of State by 190 members of the Bengal Covenanted Civil Service, remonstrating against the apprehended breach of the provisions of the Statute, as aforesaid.

4. In his Despatch No. 404, ‡ dated 26th October 1876, the Secretary of State, after reviewing the whole subject, pronounced the condition of the Department unsatisfactory, and wrote as follows :—

“The administrative business of finance, though intimately connected with the duties of accounting, is of a different nature, and requires very different qualifications. It is indispensable to the efficiency of a Financial officer that he should have a thorough knowledge of accounts; but there is much of the work of keeping accounts that may well be performed by officers and clerks who would not be likely to become efficient financiers. If this distinction

be duly recognised, it appears to me that there is no reason why an arrangement could not be made, under which members of the Covenanted Civil Service should be employed in the Department of Finance and Accounts, in a manner that should secure the provision of recruits for the higher financial posts wholly from that service, possessed of the requisite technical knowledge of accounts, while the less important but more special duties of the Accounts Branch might be supplied by Uncovenanted Servants, many of whom should be Natives of India."

5. Owing to the conflicting interest affected by these orders, the Government of India has found it difficult to frame organic measures for carrying them into effect. But, meanwhile, in making appointments to the five principal Accountant Generalships, the Government of India has felt bound to conform, in practice, to the Statute.

6. In accordance with further instructions since received from the Secretary of State, and with the sanction of Her Majesty's Government, the Government of India has now resolved to reorganise the Department as follows, taking occasion to simplify its nomenclature by eliminating the titles of Deputy Accountant General in Independent Charge (for which the designation of Controller will be substituted), Inspector of Local Account Offices, Assistant to the Comptroller General, Assistant to the Accountant General, and Assistant to the Head Commissioner and Commissioners of Paper Currency.

7. Including the recently sanctioned office of Inspector of Local Fund Accounts in Bengal, and excluding the Comptroller General's assistant for money orders transferred to the Post Office, the Department now consists of 46 sanctioned appointments, besides a sanctioned staff of 14 probationers in training to fill vacancies.

8. Experience shows that the work of the Department cannot be done with less than 46 officers. But the Government of India considers that efficiency will be promoted, while at the same time there will be some saving of expense, by the substitution of eleven superior ministerial officers, of whom seven will be entitled Chief Clerks, for eleven of the Enrolled Officers. The present Head Assistant of the Comptroller of British Burma may, at the same time, become a Chief Clerk without change of pay. The appointment of a Chief Clerk will be gazetted, and he may sign letters or discharge any other duties assigned to him by the head of his office.

9. The Comptroller Generalship is not included among the existing 46 superior offices. The Government of India has now finally decided, also, to remove from the list of Enrolled Officers the five Accountant Generalships for Bengal, Madras, Bombay, the North-Western Provinces and Oudh, and the Punjab, which five offices will henceforth be treated as reserved by Statute to be filled, ordinarily, by members of the Covenanted Civil Service.

10. The whole Department will consist, in future, of the following officers :—

1 COMPTROLLER GENERAL.

5 ACCOUNTANTS GENERAL.

30 ENROLLED OFFICERS.

2 Deputy Comptrollers General.

1 Assistant Secretary.

5 Comptrollers.

5 Deputy Accountants General.

17 Assistants Comptroller General, Assistants Accountant General, and Assistants Comptroller.

CHIEF CLERKS.

8 Chief Clerks.

11. The pay of the Comptroller General will be, as heretofore, R3,500 a month.

The pay of the Accountants General will be as follows :—

Two at R2,750 a month each ;  
 „ R2,500 „ „  
 One at R2,250 „ „

besides which, the Accountant General actually on duty at Calcutta or Bombay will receive a local allowance of R250 a month.

Hereafter, the Accountants General for Bengal and Bombay will, ordinarily, receive the highest pay thus provided, namely, R2,750 a month, or, if acting, their salaries will, as a rule, be reckoned on that pay. But, as the existing distribution of the Staff has not been made with this understanding, this particular detail cannot be completely introduced till vacancies occur.

12. The pay of the 30 officers who are to be designated “ The Enrolled Officers ” will be as follows :—

CLASS.	NUMBER OF OFFICERS.	MONTHLY PAY.			TOTAL MONTHLY COST.		
		Minimum.	Yearly increment.	Maximum.	Minimum.	Increment.	Maximum.
I . . . . .	2	R 1,750	R 50	R 2,000	R 3,500	R 100	R 4,000
II . . . . .	5	1,250	50	1,500	6,250	250	7,500
III . . . . .	7	1,000	50	1,250	7,000	350	8,750
IV . . . . .	8	800	40	1,000	6,400	320	8,000
V . . . . .	4	600	40	800	2,400	160	3,200
VI . . . . .	4	400	40	600	1,600	160	2,400
	<u>30</u>				<u>27,150</u>	<u>1,340</u>	<u>33,850</u>

13. The pay of the eight Chief Clerks will be as follows :—

CLASS.	NUMBER OF OFFICERS.	MONTHLY PAY.			TOTAL MONTHLY COST.		
		Minimum.	Yearly increment.	Maximum.	Minimum.	Yearly increment.	Maximum.
I . . . . .	1	R 600	R 40	R 800	R 600	R 40	R 800
II . . . . .	2	500	40	700	1,000	80	1,400
III . . . . .	3	400	40	600	1,200	120	1,800
IV . . . . .	2	400	20	500	800	40	1,000
	<u>8</u>				<u>3,600</u>	<u>280</u>	<u>5,000</u>

14. The pay and distribution of the remaining four new superior ministerial officers will be as follows :—

IN THE OFFICE OF THE—	NO. OF OFFICERS.	MONTHLY PAY.		
		Minimum.	Yearly increment.	Maximum.
Comptroller General . . . . .	1	R 300	R 18	R 390
Accountant General, Bengal . . . . .	1	400	16	480
„ „ Bombay . . . . .	1	400	20	500
	1	300	18	390

15. The Government of India does not bind itself to adhere, precisely, to any particular distribution of the Enrolled Officers and Chief Clerks ; but, primarily and ordinarily, they will be distributed somewhat as follows :—

IN THE OFFICE OF THE—	ENROLLED OFFICERS.						CHIEF CLERKS.				CLASS TOTAL.
	Class I.	Class II.	Class III.	Class IV.	Class V.	Class VI.	Class I.	Class II.	Class III.	Class IV.	
Financial Secretary and the Comptroller General . . . . .	2	1	3	1	2	1	1	...	...	...	11
Accountant General, Bengal . . . . .	...	2	...	...	1	...	...	1	...	...	4
Ditto, Bombay . . . . .	...	1	...	2	...	...	...	1	...	...	4
Ditto, Madras . . . . .	...	...	1	1	1	...	...	...	1	...	4
Ditto, North-Western Provinces and Oudh . . . . .	...	...	1	1	...	1	...	...	1	...	4
Accountant General, Punjab . . . . .	...	...	1	...	...	1	...	...	1	...	3
Comptroller, Central Provinces . . . . .	...	...	1	...	...	...	...	...	...	1	2
Comptroller, British Burma . . . . .	...	1	...	...	...	1	...	...	...	1	3
Ditto, Assam . . . . .	...	...	...	1	...	...	...	...	...	...	1
Ditto, Hyderabad . . . . .	...	...	...	1	...	...	...	...	...	...	1
Ditto, Mysore . . . . .	...	...	...	1	...	...	...	...	...	...	1
	<u>2</u>	<u>5</u>	<u>7</u>	<u>8</u>	<u>4</u>	<u>4</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>2</u>	<u>38</u>



16. Thus the average monthly cost of the Department will be—

Comptroller General . . . . .					R	3,500
					R	
Five Accountants General . . . . .						12,750
Local allowances . . . . .						500
						————— 13,250
					R	
Thirteen Enrolled Officers . . . . .	27,150	—1,340	—33,850	...		=31,617
Eight Chief Clerks . . . . .	3,600	— 280	— 5,000	...		= 4,650
						—————
				GRAND TOTAL		53,017
						—————

17. Without the previous approval of Her Majesty's Government, no one who is not a Covenanted Civil Servant will be admitted to the enrolled list, otherwise than as prescribed in paragraph 24. Subject to this general condition, the Government of India reserves to itself a free discretion to appoint any person to be an Enrolled Officer whom it may deem it to be for the interest of the public service so to appoint; but the emoluments of every Enrolled Officer will, as a rule, be regulated by the scale stated in paragraph 12, and, in particular, no higher emoluments will be granted to any Enrolled Officer only by reason of his being a member of the Covenanted Civil Service.

18. The Government of India will, at any time, make such changes as it may think expedient in the organisation now announced: the present Resolution is not to be regarded as, in any sense, a legal or moral contract, which the Government is not at liberty to vary without the consent of the officers of the Department.

19. The Government of India does not undertake to keep the complement of officers in each class always full, or to promote officers from class to class, only because there is a vacancy in a higher class, or otherwise than upon an unfettered consideration of their merits. But, if there is a vacancy in a higher class, a corresponding addition may, at the discretion of the Government of India, be made to the complement of a lower class.

20. In order that there may be a supply of officers, qualified by practical experience, to succeed to the office of Accountant General, at least three of the 31 Enrolled Officers actually present on duty will, as a rule, be Covenanted Civil Servants, namely, one in the second class, one in the third class, and one in the fourth class. Accordingly, a vacancy, whether temporary or substantive, caused by the transfer of a Covenanted Civil Servant from some office in the enrolled list to some office not on the enrolled list, whether in the Financial Department or not, or by the promotion of a Covenanted Enrolled Officer from one class to another, will, as a rule, be filled by the appointment thereto of another Covenanted Civil Servant.

21. The Government of India does not pledge itself, under all circumstances, to fill a vacancy in the office of Comptroller General by the promotion of an Accountant General, or a vacancy in the office of Accountant General by promotion from the enrolled list, or a vacancy caused by the transfer, or promotion to a higher class, of a Covenanted Enrolled Officer by the promotion of a Covenanted Enrolled Officer from a lower class.

22. The Local Government must, immediately, reappoint, in his proper relative place in the general administrative staff, any Covenanted Enrolled Officer who is permitted or required by the Government of India to leave the Department, relegating, as necessary, to lower rank and emoluments, the junior officers, active and substantive, displaced in consequence of the reversion of the Enrolled Officer.

23. Eventually, the two first class Enrolled Officers will, usually, be Uncovenanted Officers, if the Department contains such officers whom the Government of India considers fully qualified by standing and merits to be so appointed. It is not the present intention of the Government of India, as a general rule, to appoint to the first class any one but a Deputy Comptroller General or the Assistant Secretary. The Assistant Accountant General, Bengal, who is employed on the inspection of Local Fund Offices, and the Assistant in charge of the Currency Department and the Reserve Treasury in Calcutta will, usually, be in the third class. But an officer appointed to one of these offices or to the office of Deputy Comptroller General, if, by reason of such appointment only, promoted substantively, before officers senior to him in the Department, will, usually, hold the rank and pay to which he is thus promoted, only provisionally, while actually filling the office in virtue of his tenure of which he is thus promoted. The first class Chief Clerk will, usually, be employed in the office of the Comptroller General.

24. To provide for the ordinary recruitment of the Uncovenanted Enrolled Officers, a body of probationers will be selected, in the manner prescribed in Resolution No. 2273, dated 18th April 1876, by the competitive examination of three nominees for each vacancy, the nominees at every third examination being Natives of India of unmixed descent. There will be eight such probationers in all, and their pay will be as heretofore—

	R
on first appointment . . . . .	200
on passing the lower departmental examination . . . . .	250
on passing the higher departmental examination . . . . .	300

Thus, including the probationers, there will be 38 Enrolled Officers. Until the enrolled list contains less than 38 names, no more probationers must be appointed.

25. Excluding probationers, the Enrolled Officers and the Chief Clerks together will, eventually, number 38, or, together with the four other new ministerial officers described in paragraph 14, 42. No new Chief Clerks or ministerial officer must be appointed substantively, in accordance with paragraphs 13 and 14 of this Resolution, until the number of Enrolled Officers, including the present probationers, and including also the Chief Clerk of the Comptroller of British Burma, falls below 42. As soon as that happens, the total number of Enrolled Officers and Chief Clerks may, including the other four new superior ministerial appointments, be kept up to 42 by the gradual appointment of eleven substantive Chief Clerks and new ministerial officers, as authorised in paragraphs 13 and 14. At present, excluding three officers, Messrs. FitzGerald, Hart, and Chapman, who are seconded, there are 45 Enrolled Officers.

26. No officers may be appointed to act as Chief Clerk, or in the other four new ministerial appointments, while there are 41 Enrolled Officers present on duty. There are now 38 officers so present. Three acting Chief Clerks may therefore be appointed, and Messrs. Priyanath Datta, Harish Chandra Mittra, and C. Hall are so acting.

27. In future, no acting promotion will be given in the Financial Department, in consequence of the absence of an officer on privilege leave, unless an officer is transferred from another station to fill the place of another officer, or required to perform decidedly more responsible and onerous duties.

28. The new organisation will take effect from the 8th August 1880, being the date on which the Secretary of State's Despatch No. 233, dated 15th July, was received by the Government of India. If the substantive pay of any Enrolled Officer is increased by the new scale, his next increment will be due on the 1st September 1881.

ORDERED, that this Resolution be published in the *Gazette of India*, and communicated for information and guidance to the Comptroller General and to each Accountant General and Deputy Accountant General in independent charge.

Ordered also, that this Resolution be communicated to the several Local Governments.

No. 380, dated 16th November, 1880.

No. 34. ]

From—The Government of India,

To—The Secretary of State for India.

We have the honour to forward the Resolution, which we have published, giving effect to the orders contained in Your Lordship's Despatch No. 233, dated 15th July 1880, regarding the reorganisation of the Financial Department.

2. In accordance with Your Lordship's suggestion (paragraph 2), we have retained the title "Accountant General" for the officers holding the five principal Accountant Generalships; but we have substituted the title "Comptroller" for each officer hitherto designated "Deputy Accountant General in Independent Charge." We have not considered ourselves at liberty hitherto, with reference to the Statute, to style the Chief Civil Account Officer, in the minor administrations, Accountant General, unless he was a Covenanted Civil Servant. But the present title of these officers is inconvenient and inaccurate, and there is some advantage in giving them a different designation from the Chief Civil Account Officers in the larger Provinces, who will hereafter be always Covenanted Civil Servants.

3. We have carefully considered the suggestion in paragraph 10 of your Despatch, regarding the selection of a Covenanted Civil Servant from the officers serving in each of the larger Provinces to be trained under the supervision of the Accountant General of the Province, and at the same time to be made available as Assistant or Under-Secretary of the Local Government for financial business; and also for the employment of a Covenanted Civilian as Personal Assistant to the Comptroller General.

4. The officers whose training may be considered to qualify them to succeed, on vacancies occurring, to our seven principal Financial officers, namely, the Financial Secretary, the Comptroller General, and the five Accountants General, will now be the Under-Secretary in the Financial Department, three substantive Enrolled Covenanted Officers, and as many acting Enrolled Officers as will provide three such officers always present on duty. Moreover, it was never the intention that the Enrolled Covenanted Officers should pass their whole life in the Department, and it is apprehended that the career offered will not induce officers so to remain permanently. One way or other, the provision for training possible recruits for the seven higher offices will, we think, be ample, without the proposed additional officers: indeed a Covenanted Officer entering the enrolled list at the foot, in other words, as third acting Enrolled Officer, will, usually, have to wait for many years before he has a chance of being selected for a permanent appointment as Accountant General. To appoint five or six more Covenanted Financial Officers on small pay would only embarrass us. There would be no prospect whatever of our finding employment for them.

Then, again, the present proposal would militate against the very wholesome suggestion that every Covenanted Officer should pass five or six years in the general administration, before joining the Financial Department. The pay of the proposed Assistantships could hardly be fixed so highly as to attract first-rate men of such a standing as to fulfil this condition.

5. On these considerations, and in view of the inconvenience that would necessarily be caused by reason of an officer serving under an Accountant Gene-

ral, and, at the same time, being made available as Assistant or Under-Secretary to a Local Government for financial business, and also of the expense which the measure will involve, we have abstained for the present from carrying out Your Lordship's suggestion. If the development of the provincial financial business should lead the Local Governments to propose to appoint Financial Under-Secretaries, Your Lordship's suggestion will not be lost sight of; but no such necessity has yet been reported.

No. 1900, dated 22nd July, 1881.

No. 35.] RESOLUTION—By the Government of India, DEPARTMENT OF FINANCE AND COMMERCE.

In Financial Despatch No. 46, dated 27th January 1881, the Right Honourable the Secretary of State communicated, with his orders, the report of a Committee appointed to enquire into the existing system of Military Accounts in India; and in paragraph 4 of that despatch it was stated that the Committee

further consider it necessary to define more clearly the duties of the Comptroller General and of the Military Accountant General, and they make certain specific recommendations, which are detailed in the 23rd paragraph of their report, and of which I approve.

2. The recommendation of the Committee regarding the relative positions of the Comptroller General and the Departmental Account officers was as follows:—

That the respective duties of the Comptroller General and the Military Accountant General, and their official relations towards each other, be more clearly defined than they are at present. The Comptroller General should be the chief authority in all matters affecting the mode of keeping the public accounts, including those of the military and other spending departments. He should be held solely responsible for the general finance accounts, and should be the recognised channel for information in regard to the financial position as indicated by those accounts. He would therefore be answerable for watching the issues for military and all other services, and keeping the Government closely informed as to the actual progress of both revenue and expenditure. He should be required to send to the Military Accountant General monthly statements of the total issues from civil treasuries for military services, including all charges incurred and paid by the Civil Department for military purposes; and he should require from the Military Accountant General monthly statements exhibiting, on one side, the moneys received from civil treasuries and other military receipts, and *per contra*, the amount of expenditure actually audited, and the sums remaining to be audited and accounted for. He should be empowered to call for any explanations which he may at any time consider necessary, especially in regard to outstanding or unsettled charges.

The Military Accountant General should occupy the position and exercise the authority of a Deputy Secretary for Finance in the Military Department, retaining his present duties, and being specially charged with the function of watching and reporting upon the current military expenditure; his responsibility for the due and proper conduct of the departmental audit of military expenditure and for the prompt adjustment of outstanding advances being assimilated to that which attaches to the Comptroller General in regard to the Civil Department. It would be necessary for him to keep such books as would enable him to consolidate the accounts of the Military Controllers, and to compare the expenditure as it proceeds (under the various heads and sub-heads) with the amounts of the sanctioned grants. He should require the several Controllers of Military Accounts to transmit to him immediately after the close of each month, or at such other periods as may be found convenient, statements of all military drawings of every kind upon civil treasuries in the period just ended, and such other financial returns as will ensure his being in a position at all times to advise the Government of the actual and anticipated progress of military expenditure. He should also require every military disbursing officer who now renders cash balance reports to forward direct to him monthly abstract statements of receipts and expenditure, and of the balances in hand at the commencement and close of the month. He should sign the separate accounts of audited military expenditure appended to the finance accounts, and be answerable for their accuracy.

3. In directing, in general terms, the adoption of this recommendation as defining the general functions of the Comptroller General and the Officers of the Military and other Account Departments, the Governor General in

Council has resolved to place the Controllers of Military Accounts in immediate subordination, in all matters of account, to the Comptroller General.

4. According to the system of the Civil Account Department, the Accountant General (to whose position that of the Controller of Military Accounts corresponds) exercises his office in subordination to three different authorities :—

- I.—To the Comptroller General, to whom his accounts are rendered; who also determines, under the general instructions of the Government, the form of the accounts, sees that as accounts they are properly kept and punctually rendered, and generally directs all questions of account procedure.
- II.—To the Local Government, to whom the Accountant General is bound to give all the information arising out of his accounts, which is required for administrative purposes, and in consultation with whom the Accountant General must regulate the procedure of his own office in those matters in which it comes in contact with the Administrative Departments.
- III.—To the Government of India in the Financial Department, in respect of all questions arising on audit, and of the administration of his own office.

5. In regard to the first of these matters, the Controllers of Military Accounts will have the same relation to the Comptroller General that the Civil Accountants General have. They will render their accounts to him, in such form as he may direct, and must be prepared to give any explanations which he may require. It will be the Comptroller General's duty to see that the accounts are punctually and properly prepared by the Controllers and rendered to him; and especially that they work up to, and fit in with, the accounts received by him in other departments. He will have the general direction of the detailed accounting work in respect of deposits, advances, and accounts with other departments. He will take measures (as in the case of Civil Accountants General) to satisfy himself that the work of audit and account is efficiently maintained, and is kept up to date, the responsibility for the manner in which the business of the different offices of military account is conducted resting, however, on the Accountant General, Military Department.

6. In the other two matters, the Controllers of Military Accounts will be directly subordinate to the Government of India in the Military Department, —rendering to that Department such accounts and returns as it may desire, and referring to it, for orders, all matters which are not pure questions of account or which affect officers or departments not their own subordinates.

7. The Accountant General of the Military Department will be a Deputy Secretary in that Department, whose special function it will be to deal with all matters that arise in connection with Military Finance or with the Military Account Department. His duty will be to obtain the fullest information (from the Controller especially, but from other officers also, for purposes of check or of early information) regarding military receipts or outgoings, and to record it in such form as may be best adapted for bringing out their effect and their results. It will be his duty, not only to keep the Government in the Military Department informed regarding receipts and expenditure, but to bring to its notice any point of administrative importance or interest which arises out of the information received by him. The Military Estimates will also be in his special charge, both in respect of their original compilation and in the subsequent comparison with them of the actual progress of receipts and expenditure.

8. The above orders, relating to the Military Department, apply also to the Marine Department; and as regards the other departments (Public Works and Post Office), the present relation of the Accountant General of the Depart-

ment Public Works and the Comptroller, Post Office, is nearly in conformity with that recommended by the India Office Committee. These two officers will render their accounts, as at present, to the Comptroller General; and while the Comptroller General will be responsible for compiling the general figures of them, and keeping the Government in the Finance Department generally informed regarding the receipts and expenditure on Military Account, it will be for the departmental Account officers to maintain the more detailed accounts and statements necessary for the information of the Government and the effective financial control of their departments.

9. No alteration will be made in the system by which the Accountant General, Department Public Works, receives and compiles the accounts of the Examiners of Public Works Accounts, and maintains the general accounts of the Public Works Department.

10. The offices and accounts of the Controllers of Military Accounts, of the Examiners of Public Works Accounts, and of the Comptroller to the Post Office, will be open to the inspection of the Comptroller General and his inspecting officers; but in the case of the Examiners of Public Works Accounts, any instructions arising out of the inspections will be communicated through, and in consultation with, the Accountant General of the Department Public Works, who will continue to be immediately responsible for the proper working of the Examiners' offices.

ORDERED, that this Resolution be communicated to the Military and Public Works Departments for information and for the issue of further necessary orders, and to the Comptroller General for information and guidance.

Ordered also, that this Resolution be published in the *Gazette of India*.

No. 401 (Financial), dated India Office, London, the 21st December, 1882.

No. 36.] From—Her Majesty's Secretary of State for India,  
To—The Government of India.

YOUR Excellency's letter, dated the 8th of September, No. 278, submitting revised proposals regarding the establishment in India of a system of appropriation audit, has been considered in Council.

2. The first of your recommendations is the relief of the Comptroller General, by removing from him the duties connected with the treasuries under the Government of India,—with the examination and audit of the daily cash transactions of the Government with the Bank of Bengal at Calcutta, including the remittance transactions of the Government,—with the accounts of expenditure by officers and establishments serving directly under your Government,—with the Northern India Salt Department, the Survey Department, the Meteorological, Horse Breeding, Thuggee and Dacoity, and other minor Departments,—and with the accounts of interest on the Public Debt. These duties you would entrust to an officer of the status of an Accountant General, acting under the Comptroller General, to whom you propose to assign the designation of "Accountant General, India Treasuries," with a fixed pay of R2,000 a month. You consider that the new office should, under the Statute, be ordinarily reserved for the Covenanted Civil Service, though this would not preclude the nomination to it of a distinguished Uncovenanted Officer of the Enrolled List of the Financial Department. As, however, it would be detrimental to the public service that this officer should look for promotion, in ordinary course, to the more highly paid appointments of Provincial Accountants General, and as it is desirable to avoid frequent changes in the incumbency of the new office, you recommend that, if it be held by a Covenanted Civil Servant, the pay of the appointment should be interchangeable with that of the Provincial Accountants General.

3. I approve of Your Excellency's proposal to place the duties mentioned in the charge of an officer subordinate to the Comptroller General. The work to be assigned to him differs, however, considerably from that of the Provincial Accountants General, who are, to a great extent, the financial advisers of the several Local Governments. In the case under consideration, the duties are much more strictly those of an Accountant, and do not appear specially to need the qualifications of a member of the Covenanted Civil Service for their due discharge. The appointment should, apparently, be added to the 1st Class of the enrolled officers of the Department, the salary of which is R1,750, rising to R2,000, and the designation of the officer should be that of Deputy Comptroller General. The officer selected should be the one who, in the opinion of your Government, is best fitted for the appointment, whether he be a covenanted or an uncovenanted officer of the Financial Department.

4. Your next propositions refer to the application of a test audit, for which purpose you recommend the appointment of an additional Deputy Comptroller General, in the first class of the enrolled officers, with a clerical staff of which the cost is estimated at R6,000 a year.

5. I sanction these recommendations.

6. The last proposal refers to the salary of the Comptroller General, whose responsibility for the proper working of the whole system of accounts you desire more strictly to enforce, and whose duties will, in your opinion, be enhanced thereby, when coupled with the appropriation audit which he is henceforth to conduct, in a greater degree than he will be relieved by the foregoing propositions; and you strongly recommend that the salary of the appointment be fixed at R3,500, rising after the completion of 20 years' service to R4,000, by annual increments of R100 a month.

7. In my predecessor's Despatch of the 23rd of March last, No. 103, he expressed his opinion that the pay of the Comptroller General was sufficient for the office, even with the duties of Auditor General attached thereto; and I regret that I am compelled to adhere to that view. In consideration, however, of Your Excellency's strong recommendation, and in recognition of the zeal shown by Mr. Westland in the discharge of the additional duties entrusted to him since he was nominated to the appointment, I am prepared to sanction such a personal allowance, commencing from the date of the receipt of this Despatch, as you may think fit to recommend.

8. The mean annual cost of these proposals will be R51,000, in addition to Mr. Westland's personal allowance; and I trust that by this increased expenditure the system of account and audit will be placed on a satisfactory footing.

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No. 953, dated 20th February, 1883.

**No. 37.] RESOLUTION—**By the Government of India, DEPARTMENT OF FINANCE AND COMMERCE.

Read—

Despatch from the Secretary of State for India, No. 401, dated 21st December 1882, regarding the establishment in India of a system of appropriation audit.

**RESOLUTION.—**In this Despatch the Secretary of State has passed final orders regarding the arrangements to be made towards the establishment in India of a system of appropriation audit. The Secretary of State has sanctioned the addition of two appointments to Class I of the Enrolled List of the Financial Department; the officers to be appointed to have the designation of Deputy Comptrollers General. One of these officers will have charge of the duties connected with the treasuries under the Government of India, the examination and audit of the daily cash transactions of the Government with the Bank of Bengal at Calcutta, the accounts of expenditure by officers and establishments

servicing directly under the Government of India, namely, the Calcutta Mint, the Northern India Salt Department, the Survey Department, the Meteorological, Horse Breeding, Thuggee and Dacoity, and other minor Departments, and the accounts of interest on the Public Debt. These duties are at present performed by the Comptroller General in the Treasury Account Branch; but in future the Comptroller General will be relieved of his direct connection with them. The second of the two additional Deputy Comptrollers General will be employed under the Comptroller General in the duties of test audit. The Secretary of State has also sanctioned a clerical staff at an estimated cost of ₹6,000 a year under the second Deputy Comptroller General.

2. The arrangements for the appropriation audit have not yet been matured, and until this is done an appointment to the second Deputy Comptroller Generalship will not be made.

3. It is, however, of importance that an officer should be appointed at once to take charge of the duties connected with the treasuries and departments under the Government of India, and the Governor General in Council is pleased to nominate Mr. E. Rule, at present Comptroller, British Burma, to the office. Mr. Rule's promotion to Class I will have effect from the date on which he takes charge of his new duties.

4. The Secretary of State has decided that the officer selected for the appointment of Deputy Comptroller General in charge of the duties connected with the treasuries under the Government of India should be the officer who, in the opinion of the Government of India, is the best fitted for the appointment, whether he be a covenanted or uncovenanted officer of the Financial Department, and in appointing an uncovenanted officer to be Deputy Comptroller General, Treasury Account Branch, on the present occasion the Governor General in Council desires it to be understood that it will not necessarily follow that an uncovenanted officer will always be appointed to the office. The Government of India specially reserves the right of appointing a Covenanted Civil Servant to Class I of the Enrolled List of the Financial Department whenever it appears desirable to do so.

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ORDERED, that this Resolution be communicated to the Comptroller General, the Accountant General, Bengal, and Mr. E. Rule, Comptroller, British Burma, a copy of Secretary of State's Despatch No. 401, dated 21st December 1882, being also forwarded to the Comptroller General.

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No. 63, dated 6th March, 1883.

No. 38.]

From—The Government of India,  
To—Her Majesty's Secretary of State for India.

WE have the honour to acknowledge the receipt of Your Lordship's Despatch No. 401, dated 21st December 1882, containing Your Lordship's decision on the revised proposals submitted by us in Despatch No. 278, dated 8th September 1882, regarding the establishment in India of a system of appropriation audit.

2. Your Lordship has approved our recommendation to relieve our Comptroller General by appointing a separate officer to take charge of the duties now performed by our Comptroller General in the Treasury Account Branch of his office. Your Lordship has, however, decided that it is not necessary for the due discharge of these duties to sanction the appointment of an officer on a fixed pay of ₹2,000 a month with the designation of Accountant General, Indian Treasuries, but Your Lordship has authorised the addition of an officer in



Class I of the Enrolled List of the Financial Department with the designation of Deputy Comptroller General to fill this appointment. We have accepted this decision, and as it is of importance that the Comptroller General should be immediately relieved of his direct connexion with the duties which at present devolve on him in the Treasury Account Branch, we have appointed an officer in Class I of the Enrolled List of the Financial Department with the designation of Deputy Comptroller General to take charge of the duties connected with the treasuries under the Government of India, the examination and audit of the daily cash transactions of the Government with the Bank of Bengal at Calcutta, the accounts of expenditure by officers and establishments serving directly under the Government of India, and the accounts of interest on the Public Debt. We have on the present occasion nominated an Uncovenanted Officer to the appointment; but we have ruled that it does not necessarily follow from our action in this instance that an Uncovenanted Officer will always be appointed to the office, and we have specially reserved the right of appointing one Covenanted Civil Servant to Class I of the Enrolled List of the Financial Department whenever it appears desirable to do so.

3. The duties of the officer in charge of the Treasury Account Branch of the Comptroller General's Office are of an important character. The Comptroller General will not for the future have any direct connection with them, and the position of the officer in charge will be virtually that of an officer in independent charge. To make this clear, we think it necessary that his designation should be changed from that of Deputy Comptroller General to that of "Comptroller, Indian Treasuries," the designation "Deputy Comptroller General" not being in all respects appropriate. We accordingly ask Your Lordship's permission to make this change.

4. Your Lordship has also, in compliance with our recommendation, sanctioned a further addition to Class I of the Enrolled List of the Financial Department, in view to providing an officer for employment under the Comptroller General in the duties of a test audit. The arrangements for the appropriation audit have not yet been matured, and we have not therefore at present given effect to the sanction. We hope, however, to consider the detailed arrangements in connection with the appropriation audit as soon as the Budget of the year 1883-84 is issued.

5. In paragraph 7 of your Despatch, Your Lordship has declined to sanction our proposal to increase the pay of the appointment of the Comptroller General. Your Lordship, however, has expressed your willingness to consider favourably any recommendation we may make for the grant of a personal allowance to Mr. Westland, the present Comptroller General. We recommend, in consideration of the services rendered to the State by Mr. Westland, that a personal allowance of R500 a month may be granted to him, with effect from the 13th January 1883, the date on which Your Lordship's Despatch of the 21st December 1882 was received by us.

## II.—POSTAL DEPARTMENT.

No. 3189, dated 21st June, 1880.

No. 1.] From—A. M. MONTEATH, Esq., Director General of the Post Office of India,  
To—The Secretary to the Government of India, DEPARTMENT OF FINANCE AND COMMERCE.

Referring to the orders noted on the margin, relative to the restriction of appointments carrying pay of R200 per mensem and upwards to Natives of India, I have the honour to represent that some slight relaxation in the absolute character of this rule appears to be desirable in respect of the establishment of Postal Inspectors.

Home Department No. 21—746-53,  
dated 18th April 1879, received under  
Financial Department endorsement  
No. 379, dated 30th April 1879.