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Parliament and the British army: the structure of financial control, 1846-1899

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PARLIAMENT AND THE BRITISH ARMY:
THE STRUCTURE OF FINANCIAL CONTROL
1846–1899

A thesis submitted in fulfilment of the
requirements of the degree of

MASTER OF COMMERCE (HONOURS)

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by

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Department of Accountancy & Legal Studies
1987
DEDICATION

I would like to dedicate this Masters Thesis to my parents who, for so long, have unselfishly given of themselves to make this thesis possible. Thank You. I would also like to dedicate this thesis to my wife, whose quiet support and encouragement ensured the successful completion of this work.
I would like to thank my supervisor Mr. Garry Tibbits of the Department of Accountancy and Legal Studies, at the University of Wollongong, for his interest in this project, the prolonged encouragement he gave, and the unstinting persistence he applied to his supervision.
PARLIAMENT AND THE BRITISH ARMY:
THE STRUCTURE OF FINANCIAL CONTROL
1846–1899
Abstract

Although ultimately victorious in the Crimean War (1854-56), the performance of the British Army had been so disappointing that the government at the time was compelled to investigate the causes of military dalliance. Apart from expected and repeated references to embarrassments of strategy, tactics and command, concern was expressed by the investigating committees over deficiencies in military financial and supply management. At the time, and in concert with these findings, the British Army was insistent that its performance in the field was deleteriously affected both by excessive economy in military spending and by the means with which Parliament exercised control over military spending.

After the Civil War and military reign of Cromwell (1642-1658) and the Revolution of 1688 Parliament had determined that it could effectively control the administration of the British Army through its control of the Nation's purse. Thus all matters related to military finance were given into the hands of civilian representatives of Parliament. For over two centuries the army was to have almost no say in its finances.

In the latter half of the 19th century Parliamentary surveillance of military spending was strengthened with improvements in government accounting. In particular the wider use of audits carried out by the Exchequer and Audit Department on behalf of Parliament extended Parliamentary control over military finance. At the same time the military were given almost complete control over their administration.
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   (28th June 1866)

APPENDIX 2  An Act to provide for the Preparation, Audit, and Presentation to Parliament of annual Accounts of the Receipt and Expenditure of the Naval and Military Departments.
   (26th August 1846)

BIBLIOGRAPHY
1628 Petition of Right presented to Charles I
1645 Cromwell creates the New Model Army
1660 The Restoration
1688-89 The 'Glorious Revolution'
1794 Secretary of State for War Appointed
1801 Secretary of State for War also responsible for colonies
1834 Accession of Queen Victoria
1837 Hovick Commission
1854 Outbreak of the Crimean War.
1855-56 Secretary of State for War and Secretary at War combined into one office under Lord Panmure.
1855 McNeil-Tulloch Royal Commission
1857 War Department becomes the War Office.
1860 Sir James Graham's Committee. Estimates to be prepared in the Accounts Branch of the War Office. Also recommended that the Horse Guards and War Office be under one roof.
1861 Public Accounts Committee established.
1861 i) Treasury Committee on Accounts, Department of War Office (ARC No.70) Sir William Dunbar chairman. Recommended: That the accounts establishment be separated from the general office.
1861 ii) Military Store Department Re-organisation. The Department was placed on the same footing as the other Army departments and officers were granted commissions.
1863 Office of Secretary-at-War abolished.
1864 Lord Hartington's Inter Departmental Committee on the War Office.
1865 War Office Re-organisation based on the Four Reports of Lord Hartington's Committee.
1864-66 Prussian Military successes against Denmark and Austria.
1866 Audit and Exchequer Departments Act.

Audit of the Store Accounts of the Military Store Department transferred to the Chief Auditor of Army Accounts (War Office Circular 953 of 2nd April 1866).

1867 Report of Lord Strathnairn's Committee on Transport and Supply Departments.

1868-74 Cardwell Reforms

1869 Report of Lord Northbrook's Committee on the Conduct of Business in the War Office.

Recommendations:
1. Financial Secretary to be appointed.
2. War Office to be divided into Military, Supply and Finance Departments (carried out 1870).

1870 i) War Office Act places "Civilians" and military (Horse Guards) of the War Office under one roof.

ii) Abolition of Offices at War Office of Director-General of Ordnance and Stores.

iii) Creation of the offices of Surveyor-General of Ordnance and Financial Secretary (33 & 34 Vic. cap. 17).

iv) The Office of the Chief Auditor at the War Office was abolished. The Audit branch was absorbed into the Accounts Branch, 1870.

v) Control Department formed to superintend the two executive sub departments of supply and transport.

vi) Army Service Corps established in connection with the Control Department.

vii) Franco-Prussian War.

1876 i) Control Department abolished - Supply and Transport Services organised under:

a) Commissariat and Transport Department, and
b) Ordnance Store Department.

ii) Introduction of test audit for Army Accounts by the Comptroller and Auditor General.

Treasury Minute 13 November called upon The War Office to compile an "annual account of stocks".

Ridley Commission on Civil Establishments.

Order in Council 29-12-87 charged the Commander-in-Chief with the Duty of obtaining, holding and issuing supplies, clothing and stores and provision of transport; Accountant-General, Director of Contracts and Director of Clothing to be under the Financial Secretary. All accounts to be brought under control of Accountant-General.

Reorganisation of Quartermaster-General division of Military Department to include transport, supplies, fuel and light.


Hartington Commission on Naval and Military Administration.

Abolition of Commissariat and Transport Staff and Corps and reinstitution of Army Service Corps.

War Office Re-organisation Order in Council 21 November 1895.

Broderick Committee on Decentralisation of War Office Business. **Recommended:** Increased financial responsibility and discretionary authority of Generals Commanding Districts and for reducing references to the War Office. Approved.

Boer War.

War Office Reorganisation Committee. Dawkins Chairman. Considered the Conduct and Distribution of administration and financial business of the War Office.

**Recommendations:**
1. Abolition of minute financial regulations and elaborate reports.
2. Increase in financial powers of General Officers Commanding.
3. Placing branches of the Accountant-General's Department in close touch with each spending department and at the Headquarters of military districts for audit and financial advice.
CHAPTER 1

INTRODUCTION
INTRODUCTION

1.1 SCOPE OF THIS STUDY

This study was undertaken to identify: the nature of Parliament's role in British military finance; influences on, and changes in the way this role was exercised during the period 1846-1899; and to examine some of the implications of Parliament's role for military performance. Essentially, this study is an investigation of control, controls and the behaviour, intentioned or otherwise, they elicited within the context of British military finance from 1846 to 1899.

Throughout this study the term army finance (military finance) will refer to the appropriation or provision and use of money for military purposes. In addition army finance will encompass procedures and policies directed towards monitoring and controlling army resources (see Amery 1902, p. 608).

Inappropriate controls can produce grossly dysfunctional behaviour adversely affecting desired performance levels. Significant amongst the pathological responses to controls is what is now termed rigid bureaucratic behaviour. In other words, control measures can produce inflexible, control-system oriented behaviour where people, and therefore departments which are the aggregation of individuals, concentrate on that part of their work which is measured and upon which rewards and punishments depend. This form of behaviour is most common with incomplete measures of control; controls which have regard for only some of the key dimensions of performance (March and Simon 1958; Merton 1940). In Chapter Two the dysfunctional effects of incomplete financial controls on military performance are investigated in the context of the Crimean War.
There were a number of trends throughout the second half of the 19th century which were relevant to the control of British military finance and therefore to this study. Of especial concern as a control used by Parliament in its supervision of military finance are the increasingly comprehensive Parliamentary accounting requirements throughout the latter half of the 19th century. Beginning in 1846 with An Act to provide for the Preparation, Audit and Presentation to Parliament of Annual Accounts of the Receipt and Expenditure of the Naval and Military Departments, military finance was characterised throughout the latter half of the 19th century by tighter accounting controls on behalf of Parliament. Indeed, so progressive were the accounting procedures employed in the supervision of military accounts that they were not uncommonly in the vanguard of developments in government accounting. Thus it is the development of Parliamentary accounting as a control over military expenditure and the impact of Parliamentary accounting demands which is one important concern of this study. In British military finance, accounting controls developed for and by Parliament produced behaviour largely compatible and consistent with the controls yet were unsatisfactory in promoting military efficiency (the lowest financial, human and material cost consistent with victory) and deficient in assisting in the attainment of economy\(^1\) in military spending.

Related to the increasing sophistication of Parliamentary surveillance through accounts was the progressively greater administrative responsibilities given to the military in the latter

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1. As measured by the total amount of money spent.
half of the 19th century. With better appropriation accounting controls Parliament appeared more prepared to release the army from other administrative controls. Control of finance however, remained concentrated in civilian hands. Both civilian domination of finance and a highly centralised finance function remained in the 19th century as crucial elements in the Parliamentary structure of financial control.

1.2 PURSUIT OF CONSTITUTIONAL SECURITY: THE FORMATIVE INFLUENCE ON ARMY FINANCE

In Chapter Three the dominating influence of constitutional conflicts, primarily those of the 17th century concerning national finances, in the relationship between Parliament and the army is explored. Financial control in the British army 1846-1899 was predicated on the constitutional principle that Parliament had indisputable control in national finance and over the army. Parliament's long struggle with the Crown for constitutional and financial supremacy ensured an abiding concern by Parliament for the means by which it could continuously monitor the allocation and use of public money. Control over the right to raise revenue and the authority to determine the allocation of revenue were the sources of power. Financial sovereignty gave Parliament administrative dominion over the army which was the most potent aggregation of the forces for violence in the nation and potentially the single greatest threat to Parliament and the Nation\(^2\). Thus the emphasis by

2. Command of the Army resided with the reigning monarch. It was to the sovereign the army, in theory and practice, owed its allegiance, at least until the War Office Act 1870.
Parliament on the control of military finances. An army could not exist, no matter who held the reins of command, without money; money for pay, but more especially money for food and the necessaries of military life (see Furse 1894, p.87).

1.3 THE STRUCTURE OF FINANCIAL CONTROL

1.3.1 Appropriation and Government Accounting

The structure of financial control as exercised by Parliament over the British Army 1846-1899 was directed towards control of procedures established to govern the expenditure process, not the objects of expenditure. The most powerful controls over British military finance were financial measures which stemmed from Parliament's exclusive right to raise revenue from taxation and incorporated, during the period of this study, the ability to dictate the appropriation of money raised by Parliament. The ability to raise revenue and govern its employment gave Parliament effective control over the existence and size of the British Army but little else prior to 1846. Parliamentary control over military spending prior to the mid 1800's was based upon a system with little informational content for there existed only very imperfect means of assessing or checking on the use of money once appropriated by Parliament. It was not until 1846 that Parliament was able to reliably review in detail the use of money by the army as directed by Parliament in the annual Appropriation Act. From 1846 the statutory accounting and auditing requirements superimposed on the army became increasingly significant financial controls over military spending. It is the task of Chapter Four to trace the development of parliamentary accounting requirements in so far as
they related to the army. Chapter Four reveals that Army accounting originated to serve first and foremost the purposes of Parliament while the rapid development of government accounting 1846-1899 only served to strengthen the appropriation role of accounts presented to Parliament by the army. Army accounting primarily sought to provide evidence that responsibilities to Parliament had been discharged and it was to this end accounting reforms were directed. Accounts submitted to Parliament served the narrowest of stewardship purposes. Army accounting therefore, had a negligible role in the consideration of financial and military consequences of administrative and policy decisions. Accounting was not institutionalised as a management tool in the administration of the British Army in the period of this study. Government accounting in the form it took in the 19th century was unable to assist in the pursuit of economic and efficient management of military resources to augment military effectiveness.

1.3.2 Civilian Control and Centralisation of Military Finance

Chapter Five establishes that coincident with, and essential to, Parliament's financial controls of appropriation, accounts and audit was Parliament's determination that the administration of army finances, which was dominated by accounting requirements, would be the province of civilians. Civilians would be interposed

3. Even when cost accounting was introduced in the army in 1919 it continued to follow the same mesmerised and legalistic approach of earlier army accounting (see Hewgill 1980, p. 9).
between the Nation and its army to safeguard both the Nation's freedom and its purse.

Further, as Chapter Six investigates, both the motives of constitutional suspicion and avoidance of excessive military expenditure determined that the reporting function necessary to augment Parliament's authority, i.e. accounting, would be both highly centralised and used almost exclusively in the surveillance of the regularity and legality of expenditure. As a highly centralised system for financial control, the administration of army finance could only function effectively in an organisation as diverse and widespread as the British Army with the assistance of minutely detailed financial and accounting regulations. These regulations were meant to serve the purpose of accountability (to Parliament) and, coincidentally, to ensure there was no wastage or dishonesty. Control was seen in personal terms, control over 'things' through control over people. Financial control through accounts sought to ensure that responsible people could provide evidence that public money and property entrusted to them had been dealt with in accordance with the law and relevant regulations.

Accounting for military expenditure was another form of 'charge-discharge' accounting with the entire system of surveillance of military spending being obsessed with internal and external checks (See The Comments of Charles Fox 1793, as found in Sweetman 1971, p.41.). Unfortunately, the oppressive regulations of British military finance emanating from central authorities had what proved to be the effect of destroying initiative and leaving little room for independent action.
At the time of the Crimean War not only was army finance in civilian hands but also all army administration. In some administrative departments e.g. the Commissariat, administration and finance were in the same hands. While ever civilians controlled the total sums available for spending and the rate and direction of spending, critics of military control of administration could see sound constitutional safeguards.

From 1855 the monopoly of all military administrative departments by civilians quickly began to dissolve in the glare of the administrative inadequacies shown in the Crimean War. There thus developed the separation of military finance, always civilian controlled, from the administration by the military of military executive departments.

The breach between administration and finance created widespread consternation amongst the civilians and eventually amongst the military, but for different reasons. Civilians were concerned that the absence of civilians in administration not only denied the Nation a constitutional safeguard but was also a licence to waste for now there appeared to be no control over the conscientiousness with which the funds were spent. There was therefore a call that finance and administration be again united under civilian leadership. The tide towards reform in the latter half of the 19th century was however, too great for those seeking a return to the status quo in military administration. Thus calls for the marriage of finance and administration received increasing
support but under military sovereignty. The following diagram summarises this trend:

<table>
<thead>
<tr>
<th>1855</th>
<th>1855-1880's</th>
<th>1880's+</th>
</tr>
</thead>
<tbody>
<tr>
<td>CIVILIAN</td>
<td>FINANCE + ADMINISTRATION</td>
<td>FINANCE</td>
</tr>
<tr>
<td>MILITARY</td>
<td>ACTUAL</td>
<td>ACTUAL</td>
</tr>
</tbody>
</table>

The military argued with increasing force in the late 19th century that economical and efficient military administration was only possible if the military controlled not only the spending of money allocated by Parliament but also the management of the money. With the military deciding on a course of action and then being required to submit this to another, non-military group, for approval and to have the proposal modified or refused was both frustrating and humiliating to the proud military (The Duke of Cambridge 1837, Quoted in Gordon 1935, p. 45; Fortnightly Review, Vol. CCCXCVII, New Series 1900, p. 2). Therefore, the military sought control over their own finances not only to escape the judgement of civilians but also because they appreciated the significant role of finance in military performance. In the following section this nexus between finance and military performance is examined primarily to establish the appropriateness of military concern for finance.
1.4 **THE RELATIONSHIP BETWEEN FINANCE AND MILITARY PERFORMANCE**

Parliamentary financial controls, along with the dominance of civilians in extremely centralised military finance, essential as they were to Parliament's view of the structure of control of army spending, were the sources of great friction between civilians and the military. More importantly, they were argued to impede the economic and efficient maintenance of troops in the field.

The provision of everything necessary for the combatant to live and fight, upon which success in battle hinges, is above all else a matter of money (See the Comments of Petrie, Director General of the Commissariat, *British Parliamentary Papers*, Vol.XL, 1856, p.45; Lord Panmure to Sir William Codrington, November 16 1855, *Panmure Papers* 1908, p.490.) There must be enough money in the right place at the right time and, frequently, in a form that is locally acceptable to procure the necessary supplies, the "first conditions of success in War" (*Edinburgh Review* Vol. CXXXIII January to April 1871, p. 233).

Thomas Simes reminded his readers in 1780 that:

> famine makes greater havoc of an army than the enemy and is more terrible than the bayonet. Time and opportunity may repair other misfortunes, but where forage and provisions are not carefully provided, the evil is without remedy (Quoted in Glover 1963, Appendix A, pp. 255-256). 4

Therefore, finance of itself is unimportant in times of war. The crucial role played by finance in the military is solely derived

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from the service it provides in meeting the military's material needs (see Lord Haliburton, formerly an officer in the Commissariat 1855, in a letter to the Times August 30, 1906, reproduced in Atlay 1909, p. 35). Thus, the connection between finance and supply gave financial arrangements and controls exercised over military spending their crucial role in military performance.

At the commencement of the Crimean War in 1854 not only did the army have no control over the money which had been allotted to military uses by Parliament, as Chapter Two demonstrates, but they were also precluded from control over the distribution of supplies purchased with this money. The army was able, through the Commander-in-Chief, to indicate its supply needs but from that point on the army was, to December 1854, at the mercy of the Treasury-controlled civilian Commissariat. Attention to matters of military economy was, therefore, more certain because the Treasury not only superintended how much of the appropriated money was spent but also how and when the supplies procured with this money would be used. This was shown however, in the Crimean War, not to be conducive either to military efficiency or effectiveness.

By 1899 the supply organisation of the British Army was firmly military, as were most other administrative branches, although military finances were still very much within the hands of civilians. If anything, the proliferation of new accounting requirements related to appropriation in the latter half of the 19th century meant that the hold of civilians over financial details became even stronger. Despite this the military, who had little or

5. In 1883 all administrative and executive offices connected with supply (and transport) were completely severed from civilian control.
no financial experience in peace, were given wide powers of
discretion in spending during war: an arrangement which proved to
be both expensive and inefficient. In these circumstances the
military were criticised frequently for spending with, what seemed
to more than one Royal Commission, abandon and without due care and
consideration for economy. The constraining hand of the Treasury in
war as Parliament's agent was far less noticeable towards the end of
the century than it had been when the Treasury had controlled the
issue as well as purchase of supplies.

Deficiencies in the military's financial abilities were,
throughout the period of this study, primarily a direct consequence
of Parliament's preference for a highly centralised and civilian
controlled military finance function. It was realised by both the
Dawkins (1901) and Esher (1904) Committees that a system which
controlled military spending in this manner provided little or no
opportunity for the military to gain experience in handling large
amounts of money without the fetters of minute peacetime financial
regulations. Economy of operation and a more efficient military
presence could only be assured, argued both Committees, by allowing
the military a greater influence in their financial destiny. 6

The Crimean War at the beginning of the period covered by this
study, in particular chronicled the malodorous influence of a rigid
finance system which was preoccupied with accountability and
accounting procedures and which denied the military the opportunity
to take an active role, both in peace and war, in the management of

6. Others preferred to bracket military extravagancies not with
lack of financial experience, but with the military's pursuit
of victory, at any cost. The the blame for extravagance was
all the military's (see pages 134-136 following).
its finances. Economy of operation, as measured by the amount of money spent, and efficiency, as measured by the achievement of military objectives for the least practical financial cost, were only compatible and simultaneously achievable aims with the support of a financially experienced and sophisticated military. An army officered by men possessing these characteristics would have allowed consideration to be accorded to the financial consequences of administrative decisions in the pursuit of victory. Instead, the civilians looking to the interests of Parliament sought economy while the army above all else pursued effectiveness. Ultimately, whether an army is financially educated or not, the achievement of victory in war must override all other considerations; yet there is still the opportunity for consideration of the financial implications of military decisions and how these redound on military performance. Because of widespread, and to many military cherished, financial ignorance, this nexus between economy, efficiency and effectiveness was lost to military financial controllers.

As more details of army administration were taken from civilians throughout the second half of the 19th century and became the province of the military so concern was increasingly voiced, both within and outside the army, as to the financial repercussions of administrative decisions taken by financially illiterate officers (See Clode 1869 also Atlay 1906). An officer trained in finance, it was strenuously argued, could be imbued with the need to consider the financial side of any military decision. He would be more conscious not only of getting the most for each pound spent, but also aware that the number of pounds spent may on any particular
occasion both affect the expectation of victory and be an indication of his abilities and fitness to lead. Presumably, an officer who accomplished comparably more militarily for comparable expenditure would be judged a superior soldier and administrator.

Increasingly, towards the latter part of the period covered in this study what was particularly worrying to the civilians in military finance and to Parliament was the knowledge that in a world of recurring international political unease, a very pronounced feature of the late 1880's and throughout the 1890's, the financial demands of the army could probably be checked only temporarily. While the money spent on the army in peace seemed to be an annoying and fruitless drain on national finances which had to be closely monitored, within the urgency of war the army could hold the Nation to financial ransom knowing that demands for money, couched in anxiety for the Nation's safety, would prove an irresistible lever on the Nation's purse (See the comments of the Edinburgh Review April 1855, p.566).

Thus, no matter what lip-service the army paid to Parliament's control of military finance in peacetime, the perpetuation of a financially unsophisticated army tethered by minute accounting requirements was, in the long run, a case of being 'penny wise and

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7. As indicated by the number of Committees and Commissions appointed to examine military administration and finance towards the end of the 19th century and beginning of the 20th century, e.g. Brodrick (1898), Dawkins (1901), Esher (1904).
pounds foolish'. The extravagant expenditure committed by Britain through its army to even a small war could soon outweigh any shortsighted peacetime savings procured through a policy which propagated financial ignorance amongst soldiers by restricting their access to finance (See Amery's Comments Vol.2 1902, p.46).
CHAPTER 2

FINANCIAL CONTROL AND THE
CRIMEAN WAR
2.1 INTRODUCTION

This chapter examines the nexus, towards the beginning of the period covered in this study, between the national attitude towards the army, Parliament's control over military finance and its impact upon military performance.

The administration of supply of the British Army in the Crimea is examined in so far as it is the outcome of the system of financial control of the military required by Parliament. In particular, this chapter details the impact on military performance of Parliamentary control as exercised through Treasury accounting regulations. The position outlined in this section, while it possibly shows the worst features of the system of financial control applicable throughout the period of this study, is atypical only in its severity when compared to later conflicts. Certainly the hell of the Crimean War was not novel in its time (See Comments by Stanmore Vol. I 1906, p. 237). While the Crimean War prompted major changes in almost all areas of military administration, in particular supply, the lessons for military finance remained ignored.

2.2 RESPONSIBILITY FOR THE CRIMEAN CHAOS

The extent of the ineptitude which characterised the conduct of the Crimean War (1854-1856) by the British was such that it "has become a byword for disaster, gross mismanagement and incompetent leadership" (Judd 1973, p.29), which, according to Barnett (1870, p. 283), has made it "one of the compulsive subjects of British historical writing". It was, wrote Florence Nightingale,
"calamity\(^1\) unparalleled in the history of calamity" (Cited in Woodham-Smith 1977, p.15; See also Henry Drummond's comments made in a speech before Parliament, January 23, 1855 as cited in Stanmore 1906, p. 250).\(^2\)

1. Ninety per cent of the British casualties were due to disease, exposure and deprivation. Especially ruinous were the months between October 1854 and April 1855, a time of minimal combat, yet deaths amounted to:

   about 35 per cent of the average strength of the army ... and it seems clearly established that this excessive mortality is to be attributed to ... exposure to the wet and cold, improper food, insufficient clothing ... and insufficient shelter (First Report of the McNeil-Tulloch Commission 1856, pp.2-3; see also Dixon 1978, p. 44).

2. Undoubtedly the greatest influence in shaping the British people's attitude towards the war was the series of articles in *The Times* by William Russell. For the first time, the public became intimately familiar with the conditions of war under which the soldier was expected to live and fight and judged them unacceptable (see Laffin 1964, p.137; Lloyd 1924, p.11). As early as 23 December, 1854 Russell described how the "noblest army England ever sent from these shores has been sacrificed to the grossest mismanagement. Incompetency, lethargy, aristocratic hauteur, official indifference, favour, routine, perverseness, and stupidity reign, revel and riot in the camp before Sabastopol ..." (Quoted in Reid 1911, p.3). The conditions were so poor that one combatant, a week before Russell's December article appeared, expressed doubt as to whether any British Army had ever been worse off (Clifford 1956 reprint, p.128).

At the time Russell's reports were criticised by the Government and the Queen and branded as malevolent and mischievous exaggerations. (General Estcourt to Sidney Herbert February 12, 1855 in Stanmore Vol. I 1906, p. 316). The Duke of Newcastle, then Secretary of State for War and the Colonies, scoffed at Russell's reports indicating they were entirely and utterly incorrect, the ravings of a "miserable scribbler" (Prince Albert to Lord Panmure, October 6 1855, Panmure Papers 1908, p. 430; Also See Lord Palmerston to Lord Panmure, July 20 1855; Panmure Papers 1908, p. 308; Queen Victoria to Lord Panmure February 20, 1856, p. 116; Sir W. Codrington to Lord Panmure February 24 and 26 1856, p. 128; Hansard 27/4/1854 cxxxii
The causes of the calamities which befell the British Army were initially attributed to individuals until it became recognised that, whilst deficiencies of individuals certainly contributed to difficulties experienced, the major cause could be traced to financial considerations. Lord Raglan in particular, who had... (footnote from p. 18 continued)

c.908). Sweetman (1971a), also has criticised those who place too much reliance on Russell's dispatches. In particular he argues much of Russell's reporting was based on hearsay. Not content with calling into doubt Russell's records, Sweetman also criticises most eyewitness accounts of the conditions in the Crimea. His conclusion however, overlooks and makes light of the remarkable concurrence of opinion and reporting found in the diaries and correspondence of the combatants. These diaries and letters uphold each other even on the smallest points. Thus in spite of the different locations and experiences of the writers, the contemporary accounts do provide a very dependable source of description, and possibly a little less reliable explanation, as to the conditions which existed. To those serving in the Crimea, on the contrary, Russell's dispatches were faithful in their rendition of the circumstances prevailing (see Clifford, 19 January 1855). Without Russell's constant nagging and prodding it appeared doubtful to the combatants that things would otherwise have improved (see Clifford, 10 February 1855). In the Crimea, Russell was scorned by the military authorities who regarded him "as a mere camp follower, whom it would be impossible to take more notice of than you would of a crossing sweeper ..." (Russell, quoted in Huxley 1975, p.58; For a detailed account of Russell's work see Furneaux 1944).

For a discussion of the part played in the Crimean War by The Times and other newspapers, see Anderson 1967, Chapter Two.
assumed command of the army upon the death of Wellington in 1852, was to receive much of the criticism. To the men at the front, the day to day contact with their senior officers and observance of their nonchalant attitude towards the living conditions of the men made it seem obvious that the officers' indifference was responsible for the nightmare into which they had all been pitched (see Clifford's letter, 8 February 1855). The assessment made of officers in the Seven Years War by Ferdinand of Brunswick's biographer was, appallingly, equally applicable to the British officers in the

3. Raglan was especially criticised for the meagreness of his correspondence with the Government; something which Lord Panmure as Secretary of State for War consistently tried to rectify in his letters to Lord Raglan (see Panmure Papers 1908). Sidney Herbert also tried vainly to induce Lord Raglan to communicate with the Government more regularly (letter March 5, 1855, in Stanmore 1906, p. 327). Others who were to receive more of the blame later were Commissary-General Filder, Quarter-Master-General Airey and Adjutant-General Estcourt (See Lord Clarendon to Lord Raglan April 23, 1855, Panmure Papers 1908, p. 165; Lord Palmerston to Lord Panmure, April 15, 1855, Panmure Papers 1908, p. 150). For examples of Estcourt's incompetence and complete denial of the urgency in the Crimea see his letters to Sidney Herbert, Secretary-at-War, in Stanmore Vol. I 1906, p. 277, 279, 280-281.

Gladstone also received some of the blame because of the niggardly attitude of successive governments towards military spending immediately prior to the Crimean War (See Moncrief 1909, p.380; Buxton 1901, pp. 592-595; Morely 1903, Vol. II, pp. 51, 53, 56, 62, 63).
Crimean War for little had changed:

(They) ... do not trouble their heads about the service; and understand of it ... absolutely nothing whatever ..., their home customs incline them to the indulgences of life; and nearly without exception, they all expect to have ample and comfortable means of sleep. This leads them often into military indulgences (Quoted in Barnett 1970, p.185).  

Successive British Governments, without exception, were content to leave military matters in the hands of an aristocratic, wealthy and amateur elite  

interested in the army for its sport and social value (See Sidney Herbert to General Estcourt December 12, 1854 in Stanmore Vol. I, 1906, p. 310). An army ruled over by the aristocracy was accepted as being constitutionally safe. Because of the ties of relationship with the rank, wealth, and more advanced intelligence of the country, ... (they) can be relied upon under all circumstances to maintain order and obey the laws (Blackwoods Edinburgh Magazine November 1857, p.583).

4. Lord Cardigan provided an extreme vindication of this judgement of the British Officer. Each evening he retired to his private yacht moored in Balaclava harbour, resolutely refusing to sleep on land with his men.

5. To open the army officeship to those of the 'lower orders' would raise the spectre of the Interregnum and its military abuses perpetrated by the 'common' officers and thus "would disconnect the army ... from the general sympathy of the country" (Blackwoods Edinburgh Magazine November 1857, p. 583). See also Chapter Three.
Writing to Sydney Herbert in March 1855, Florence Nightingale decried the incompetence of the army's aristocratic officers. She complained that "the real hardship of this place ... is that we have to do with men who are neither gentlemen nor men of education nor even men of business ... whose only object is to keep themselves out of blame" (Quoted in Woodham-Smith 1977, p.162). Privately the Prince Consort expressed his anguish at the amateurism of the gentleman officer who seemed to seek "to excuse himself for being an officer by assuming as unsoldierlike ... a manner as he possibly can" (Prince Albert to Lord Clarendon, September 17, 1855, Panmure Papers 1908, p. 393). By appearing "less and less as soldiers" through their professional incompetence they succeeded in proclaiming their stupidity, inefficiency and incapability to the world (Prince Albert to Lord Clarendon, September 17, 1855. Panmure Papers 1908, p. 393).

Despite the incompetence of the Army's leaders by 1855 it had become clear to the British public that the army in the Crimea had been sacrificed primarily because of financial considerations, and not those of just Lord Aberdeen's Government (see Trevelyan 1922, p.305; Russell 1858, p. 30; Morely 1903, Vol. I, pp. 487-493): "Parsimony, as regard military establishments, was the order of the day" (Blackwood's Edinburgh Magazine January, 1856, p.115). Sir Charles Stephenson, in a letter to his brother on March 5, 1855 demanded that

the late Government have a heavy account to answer for. They have been to this army ... a greater enemy to us than the Russians; ... they have, in short, done what I deem it impossible for a Russian army to do - annihilated the British army ... (1915).
Not only were successive Governments ultimately seen as neglectful and obtuse in the extreme when it came to the care of the men entrusted to them in the army, but maliciously so. It was the Government of Lord Aberdeen that was to carry the blame and pay the price for the decimation of the British army when the government was forced to retire in February 1855, to be succeeded by Lord Palmerston's Government (See the Comments of the *Edinburgh Review*, July 1855, p. 274). At the time Lord Panmure wrote to Lord Raglan describing how the public had been sufficiently roused to sacrifice "two victims to their disappointment ... Lord Aberdeen and the Duke of Newcastle" (February 12, 1855 Panmure Papers 1908, p. 58; Also Sidney Herbert to Lord Raglan March 5 1855, in Stanmore 1906, Vol. I p. 326).

Sidney Herbert, Secretary at War, only too readily agreed that the responsibility for the then present state of military preparedness was the fault of every parliament; we have always had the same stereotyped system of economy in military affairs ... I am as much to blame as anyone ... I say ... it has been the fault of all parties, all administrations, every parliament ... On one (thing) they have agreed, ... improvident economy (Speech in the House of Commons as reported in *Blackwoods Magazine*, January 1855, Volume LXXVII, p.13; For a fuller account see Stanmore Vol. I 1906, pp. 239-240).

Successive British Governments since the Peninsular Wars may have been less intent on military parsimony, assured Russell (1858, p. 55), if they had "seen the evil effects of strangling the (supply) services in times of peace". If "all our political economists could ... have been ... enlisted in the army at Scutari for a month ... till they had obtained some practical knowledge of the system" (p. 56), Russell felt confident they "would not for
the future listen so readily to their counsellors who tell [them] ...
that it is economy to tighten his purse strings around the neck of army" (sic)(p.55).

The calamity of the Crimea was so monstrous and so avoidable that blame, urged General Sir Edward Coffin, transcended individuals, departments and Government (Appendix VII to Evidence before the Strathnairn Committee 1867, p. 67). The deficiencies in preparation for the maintenance of the troops can, in part, be traced to these sources but more especially to the traditional and slowly eroded British suspicion of the constitutional consequences of maintaining standing armies in peace. "National indifference", argued Sir Edward, must be held in the first place to be culpable for the suffering in the Crimea (Appendix VII to Evidence before the Strathnairn Committee 1867, p.267; Also Blackwood's Edinburgh Magazine Vol.LXXIX, February 1856, p.233; Also Stephenson 1915 in a letter to his brother June 29, 1855 pp. 146-147).

National indifference and constitutional fears stemming mainly from an aversion to the military manifest themselves in a preference for cheeseparing economy,6 obsessive surveillance of finance through accounts and a grossly centralised and minutely regulated financial administration in the hands of civilians. Each had its part in the tragedy enacted in the Crimea. It is the task of later chapters to examine these elements in the structure of financial control within which Parliament frequently pursued its goal of economy in military spending.

6. "... being more earnest in the maintenance of our civil liberties than in the extension of our military power, we shackle ... the will of the executive in the matter of military expenditure" (Edinburgh Review April 1855, p.540).
2.3 SUPPLY AND WAR

The British Government in 1854 sent to the Crimea an army with a primitive means of maintenance to invade the territory of a foe of unknown strength (Barker 1971, p.878; Russell 1858, p. 62 and 66). Preparation for supply was so inadequate, lamented Alison, that at the first experience of hardship the army's "magnificent ... battalions ... melted away like snow" (1869, p.6).

Supply preparations for the Crimean War were essentially the same as with those preceding any other conflict since the revolution of 1688. All were characterised by "belated preparation; frantic effort; disappointment ..." (Midleton 1939, p. 138; Gordon 1935, p. 33). Generally, apart from the Peninsular Wars (see Glover 1963), there had always been a lack of foresight, no coherent and cohesive attempts at planning for the maintenance of the army and tremendous ignorance born out of national indifference to the Army, lassitude, and traditional British Government obstructiveness where the pressing demands of the situation took second place to inflexible and even moronic regulations (Moncrieff 1909, p.380). The supply of an army however, needs careful attention and must not merely reflect responses to spasmodic and haphazard episodes of distress, as it did in the British Army (See Comments in Edinburgh Magazine April 1855, p. 540; Sir William Codrington to

7. Apart from army personnel from the Peninsular Wars who were still alive, there was pathetically little to guide in planning for supply at the time of the Crimean War (see Shaw 1939, p.27). There was, as Major-General Fuller observed, "almost complete silence upon the problem of supply. Not in ten thousand books written on war ... (was) there to be found one on this subject" (Shaw 1939, Preface on p.9; also see Reid 1910, p.458). Few supply personnel ever wrote about their experiences, even after the valuable lessons learnt in the Napoleonic Wars. After all, decided Shaw, if a supply officer did put his experiences on paper "who would read them" (1939,p.24).
Maintenance of an army in the field cannot be improvised. Armies are unquestionably emergency services and therefore must be organised in such a manner that they are never completely relaxed to potential danger (Fortnightly Review No. CCLII, New Series, December 1887, p. 751). Every part of the military body must know its function and be able to react without hesitation in an effective manner whenever called upon (See Arnold-Forster 1906, p. 437). The most that should occur in an emergency is some expansion and strengthening, not radical changes, as occurred in the Crimea, which can only lead to uncertainty, waste and the retardation of military efficiency. The mechanisms of maintenance require careful nurturing and cultivation over a prolonged period. So important was adequate attention to supply, Alison warned that an army sent into the field without efficient and thoroughly well organised, and long previously trained, staff and supply departments is an army foredoomed to dogs and vultures; and ... no expenditure at the moment, however lavish, can supply these wants or avert this gloom (1869, p.5).

Russell also expressed concern for giving due consideration to the training of supply personnel, in particular duties other than the purely financial:

a commissariat officer is not made in a day, nor can the most lavish expenditure effect the work of years, or atone for the want of experience. The hardest working Treasury clerk⁹ has much to learn ere he could become an efficient commissariat officer ... (1858,p.66; Also p. 35).

8. For an excellent summary of the changes that occurred in the organisation of army administration see Clode 1869, Appendix CXLIX, p.769.

9. Reference to the Commissariat as an agent of the Treasury.
Viewed in the light of the traditional hostility of the nation towards the military and consequently, successive governments' fervent pursuit of economy in the long peace after the Napoleonic Wars, the inadequate preparation for the supply of a large army fighting in hostile territory, the Crimea, becomes far less surprising (Blackwoods Edinburgh Magazine January 1856, p. 115). Economy had increasingly become the measure of virtue and worth of government programmes and departments, but especially in the case of the army (see "Observations of Lord Panmure" February 1855, Panmure Papers, 1908, p. 46). The army, exposed and susceptible in peace to the barbs and gibes of the zealous missionaries of economy, came into more than its share of attention and criticism in this regard. An army at peace represented an easy target for retrenchment, the non-combatant services were especially ripe for cutting (See Comments in Edinburgh Review 1855, p.539; British Parliamentary Papers 1840, XXIX (149), p. 270).

Britain had always been content to raise an army for war when expressly needed, and not before. The Crimean War showed only too clearly the repercussions of such a piecemeal and niggardly stance on defence and in particular military supply. What was alarming was that the future Commander-in-Chief, Lord Raglan, could with all conscience, argue before a Select Committee that there was no need to maintain the Commissariat in peace (Evidence before the Committee on Army and Ordnance Expenditure 1849, p.240; see also the Evidence of Lord Fitzroy Sommerset (Military Secretary at the Horse Guards) before the same committee, Questions 3203-3212). Peel, as Prime Minister (1841-46), had sealed the fate of the non-combatant branches throughout his ministry, and by a contagion effect to the

10. See Chapter 3.
Crimean War, when he expressed openly the national feeling that we should best consult the true interests of the country by husbanding our resources in time of peace and - instead of lavish expenditure on all means of defence - by placing some trust in the latent and dormant energies of the nation, and acting upon the confidence that a just cause would rally a great and glorious people around the National standard ... (Quoted in Omond 1933, p.82).

Urgent improvisation over methodical preparation was thereby given the highest approval as indicated by the declining expenditures on the Commissariat after the Peninsula Wars. Expenditure on the Commissariat between 1825 - 1842 was:

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1825</td>
<td>£373,179</td>
</tr>
<tr>
<td>1834</td>
<td>£290,305</td>
</tr>
<tr>
<td>1841</td>
<td>£213,356</td>
</tr>
<tr>
<td>1842</td>
<td>£200,939</td>
</tr>
</tbody>
</table>

2.4 SUPPLY AND THE ARMY IN THE CRIMEA

2.4.1 The Commissariat

Supply of the essentials of life to the army was the responsibility of the Commissariat. The Commissariat was a civil department under the direct control of the Treasury, to which the

Commissariat directed all its allegiance, until December 1854 when it passed into the hands of the War Department where it remained under civilian control and Treasury regulations continued unabated (See the Comments of Griffiths 1900, p.216; Biddulph 1904, p.8). As a consequence of the civilian autonomy from ultimate military authority Lord Haliburton, despatched to Turkey to join the Commissariat in 1855, described how

the position of the civilian ... in constant contact with soldiers who grudgingly recognised his rank and authority, was anomalous and unsatisfactory (Quoted in Atlay 1909, p. 9).

The Commissariat was responsible for furnishing and transporting (at least on land) all provisions, forage, cooking fuel and light to troops in the field outside England. The Commissariat was a microcosm of its frequent rival, the army; an organisation ruled by a bureaucratic aristocracy "grotesque in their pedantry and ineptitude" (Hibbert 1963, p.37). In keeping with the widely recognised preference in the army for the elderly in senior positions, Commissariat-General Filder was retrieved from retirement to head the Commissariat for the duration of the Crimean War. The only definite direction he received from the Government at the outset of the campaign was to economise wherever possible and that he was to prepare plans to provide supplies for an army of 10,000 men operating in Turkey (not the Crimea).

12. The Quarter-Master General's department was responsible for issuing supplies to the troops once received from the Commissariat. For details of Commissariat duties see the evidence of Commissariat-General Thomas Archer before the Howick Commission 1837, pp. 31-32.

13. Lord Panmure in a letter to General Simpson July 16, 1855 refers to Filder as "the old man" (Panmure Papers 1908).
The Commissariat from the opening of the fighting in Bulgaria was insufficient in size, deficient of men of ability, initiative and intelligence, and totally unprepared in training to meet the demands of over 30,000 men locked in a deadly war 3,000 miles distant from Britain (see Appendix VI to Evidence before the Strathnairn Committee 1867, p.257). With an initial staff of only forty, four of whom were officers and the rest predominantly Treasury clerks knowledgeable in finance but ignorant of supply, the task which confronted the Commissariat was overwhelming if not out of the question (see Russell 1858, p.30). In an attempt to give the public in Britain some idea of the Commissariat's task, Russell assures them that no one unacquainted with the actual requirements of an army can form the smallest notion of the various duties which devolved upon the Commissariat, or the enormous quantity of stores required ... but the issue of rations was but a small portion of their duty. They had to provide nurses, carts, saddles, tents, carriages, interpreters, and to provide for the innumerable legitimate wants of an army in the field (1858, pp.80-81).

The Commissariat was also the banker for the army and the agent of the Treasury responsible for supplying money to all branches of the military, for the safe-keeping of specie, the issue of Bills and

14. By September 1855, the staff had expanded to include:
   3 Commissaires-General
   1 Acting Commissary-General
   2 Deputy Commissary-General
   3 Acting Deputy Commissary-General
   24 Assistant Commissary-General
   8 Acting Assistant Commissary-General
   37 Deputy Assistant Commissary-General
   18 Acting Deputy Assistant Commissary-General
   45 Commissary Clerks
   81 Temporary Clerks
   12 Military Officers Acting Deputy Assistant Commissary-General (Evidence of W. Power, Commissary-General-in-Chief, before the Hartington Committee 1864, Question 2733).
for concluding when necessary any contracts for supplies (see British Parliamentary Papers, 1854-55, Vol.XXXII, pp.300-301, "Treasury Minute 22 December 1854 on Transfer of Commissariat to the War Department").\(^{15}\) For every penny spent and every pound of supplies issued records had to be kept and the officers and men of the Commissariat were held personally responsible (Evidence of Commissariat-General Archer before the Howick Commission 1837, p. 34). Given the lack of adequate staff and training and the width of activities encompassed by the Commissariat, there were unquestionably far "too many responsibilities, too many accounts and too many masters" (Appendix VI to Evidence before the Strathnairn Committee 1867, Question 2739, p.247). The Commissariat-General's office at Varna was always so busy with its paperwork as to resemble, for Russell, "a bank in the city in the height of business ..." (1858, p.81). Add to the negligence in supply preparations the presence of five\(^{16}\) highly independent departments concerned with army administration, it should have come as no surprise when the supply system collapsed (see Moncrieff 1909, p.378; Also Edinburgh Review April 1855, p.538). Yet the miserable performance of the Commissariat, especially in 1854, and despite the reported feverish activity, was met with exclamations of disbelief (Blackwood's Edinburgh Magazine January 1856, p. 116).

15. For further details on Commissariat duties see the Evidence before the "Select Committee on Army and Ordnance Expenditure" Vol. IX,1849, Questions 8102-8114.

16. 1. The Commander-in-Chief.
2. The Commissariat.
3. The Ordnance Department.
4. The Medical Department.
5. Quarter-Master General.
The inadequacy of the preparations for the maintenance of the army stood out in stark relief almost immediately. In June 1854 Raglan, as Commanding Officer of the Crimean forces yet without the slightest degree of control over or right of interference in supply, disconcertedly observed how "the organisation of the Commissariat is so much in its infancy that I cannot tell ... either what we have or what we want" (Quoted in Morris 1939, p.335). Raglan was soon moved to reprimand Filder: "something must really be done", the Commissary-General was told on 13 December 1854, "to place the supply of the army upon a more satisfactory footing or the worst consequences may follow. I receive complaints almost daily ..." (Quoted in Hibbert 1963, p.248). In the same month the gallant and highly regarded Colin Campbell indicated that it seemed to him the "Commissariat department seems to have broken down almost entirely" (Quoted in Morris 1939, p.339; see also the Esher Committee 1901, Part I, p.7 of the report).

2.4.2 The Influence of Accounting Regulations

Supply deficiencies may have had less effect if the available supplies had been intelligently handled in the field. Unfortunately the behaviour of the Commissariat's officers only served to accentuate the initial supply deficiencies and impede relief when supplies were plentiful in early 1855 (McNeil-Tulloch Commission 1856, p. 31; Russell 1858, pp. 290-292). The responsibility for this must reside with the Treasury and Parliament for administration of supply was based on a "ruinous succession of checks and balances" which retarded supply. (Edinburgh Review 1855, p. 538).
The Commissariat officers were criticised for exhibiting a degree of phlegm that bordered on murder. The training and administration of the Commissariat under the Treasury, because it accentuated regulations and accountability at the expense of initiative, bred a corps of numbed automatons. The Commissariat's task of maintaining the troops in the field was difficult enough, yet the Commissariat "was so tied down with orders, and so cramped with surveillance, that its energies were greatly diminished" (Russell 1858, p.62). Minute documentation was required to support and evidence each transaction conducted by the Commissariat, its members being charged "with every article received, ... In short, there is not an article of Entry or Issue but must be exactly immediately accounted for ..." (Le Mesurier 1796, Part IV; Ward 1957, p.73; see also British Parliamentary Papers 1854-55, Vol.XXXII, p.301, "Treasury Minute 22 December 1854 on Transfer of Commissariat to War Department").

The punctiliousness of the Commissariat department would have been comical had not the consequences been so tragic. Prince Albert, the Royal Consort, wrote to Lord Panmure on 10 February 1855, concerning the arrival of a boatload of vegetables from England. Even though vegetables of any description were urgently needed, when the Commissariat officer receiving the cargo realised it was vegetables he refused to accept it because under the

17. The Chancellor of the Exchequer, Sir Charles Trevellyan however, called the accusations against the Commissariat "an immense crop of lies" (23 April 1855, Quoted in Hart 1960).
financial regulations of his department he did not have the power to purchase and accept them (Panmure Papers 1908, p. 54). The Commissioners investigating Crimean supplies also referred to this absurdity (McNeil and Tulloch Commission, 1856, p.8). Because each Commissariat officer was held personally responsible for all receipts and issues, contravention of Treasury regulations could prove a very costly exercise. Besides which, they were trained as Officers of a Treasury controlled department never to spend money on their own initiative, no matter what (see Woodham-Smith 1971, p.116).

Equally tragic, and yet not unusual in the context of the Crimean War, was the plight of the Medical Officer of the hospital ship Charity. On the ship he had a large number of cholera cases, whose suffering was aggravated by the absence of warm surroundings. To improve conditions the Medical Officer sought to acquire some stoves from the Commissariat. Despite the obvious urgency of the situation the Medical Officer was properly informed:

Commissary: You must make your requisition in due form, send it to headquarters, and get it signed properly, and returned, and then I will let you have the stoves.

Medical Officer: But my men may die meantime.

Commissary: I can't help that; I must have the requisition.

Medical Officer: It is my firm belief that there are men now in a dangerous state whom another night will certainly kill.

Commissary: I really can do nothing; I must have a requisition properly signed before I can give one of those stoves away. (Russell 1858, p.253).
Airey related the similar fate of 9,000 great coats received in December 1854. These coats, instead of being issued, were left in the stores for over two months while the men were literally freezing to death in their hundreds. As Airey disapprovingly indicates, "the reasons officially given for non-use of these coats was that the Regulations only authorised an issue every three years, so troops were not therefore entitled to an issue" (1913, p.88). Florence Nightingale referred with disgust to the similar paralysing effect of regulations in the hospital wards at Scutari. There, she wrote,

each department had a series of 'warrants' naming definite articles. The Purveyor only gives such amounts of articles as are justifiable under his 'warrants', by which he is governed, and is not responsible for those wants of the soldier ... which are in excess of the warrants, whatever may be the evidence before him, either in the requisition of the medical officer or the personal observations, it would appear, he was bound to make of what was close under his eyes (Quoted in Woodham-Smith 1977, p.115).

On one occasion, 15 February 1855, Florence Nightingale went to the Purveyor for shirts. She was straightway informed there were no shirts available. Upon being confronted with Florence Nightingale's accusation that she knew of 27,000 shirts delivered four days previously the officer retreated into the laager of his department's regulations. He was unable to unpack them, he assured her, despite the pressing need of the men, "without a board", i.e. inspection and written authorisation (Woodham-Smith 1977, p.152).

Procrastination in the Commissariat was generated by financial and accounting regulations, most of which had been carried over from the Peninsula War, which interposed themselves in every facet of
the soldier's life. The army and its associated services was "tied and bound in the coils of excessively complex and minute regulations" judged the Esher Committee (1904, Part 2, p.9 of the report). Rules and regulations\(^{18}\) designed for another place, another time and conceivably for other purposes soon became dangerous anachronisms which retarded efficient operations of all military and civilian branches of the army.

Because the officers of the Commissariat, as befitted agents of the Treasury, would be assessed primarily on how well they met Treasury regulations and kept records and accounts in the pursuit of 'petty economy', they refused or were unable to move outside the guidelines for supply as laid down in Treasury regulations (see Florence Nightingale's views in Woodham-Smith 1977, p.114). This had been observed much earlier than the Crimean War by the Howick Commission which was prompted to conclude in 1837 that "the Board of Treasury seems particularly unfitted by its constitution for ... managing the supply of the Army" (p. 13 of the Report). According to Florence Nightingale the Commissariat's officers fixed "their attention upon their bookkeeping as the primary object of life" (Quoted in Moncrieff 1909, p.381). This did not change when the War Department took over the Commissariat in December 1854. Mr. Augustus Stafford on the basis of his experiences in the Crimea told the Roebuck Committee (1856) that, not only in the supply departments but throughout all departments, there was a fear of responsibility and exceeding regulations (see Woodham-Smith 1977, p.130). Yet, officers of the Commissariat were only following the example of the Commissary-General.

\(^{18}\) For a discussion of the relationship between centralised administration and regulations, see Section 6.2.
The provision of fuel for cooking is a particularly good illustration of the inflexibility generated by financial regulations which afflicted the Commissariat from top to bottom. Commissariat-General Filder refused to acquire and issue wood despite the desperate need of the men, even though it was plentiful only one day's sailing from the Crimea, because the Commissariat had not had Treasury authority to do so in the Peninsular Wars. Filder would not overstep regulations "by a hair's breadth" (Edinburgh Review Vol. CI April 1855, p. 566). The Royal Commission into the supplies in the Crimea made it plain in its first report how inappropriate it regarded Filder's behaviour. Because "the circumstances of the army before Sebastopol were obviously exceptional ... an appeal to precedence was out of place", proffered the Commission (1856, p.10).

19. All available wood in the Crimea had been consumed well before the end of 1854. Not only trees and buildings had found their way into the cooking fires of the soldiers but almost all vegetation that was combustible. Russell reported that the countryside was destitute of timber (1858, p. 115). Warner expressed more than a little concern to his father at the absence of fuel and how that in the place of timber "one has to collect ... dry roots to burn" (2 February 1855). The situation was so desperate that the men frequently crawled out under the enemy's fire to get enough roots to cook their meals (Russell 1858, p. 263).

20. Lord Palmerston, the Prime Minister, had urged on numerous occasions both Lord Raglan and Lord Panmure to remove Filder, a man he found to be "narrow minded, prejudiced, opposed to every new resource and improved practice, wedded to routine, and refusing every improved arrangement ... you cannot well have a worse man" (Lord Palmerston to Lord Panmure July 15, 1855, Panmure Papers 1908, p. 292; Also May 1, 1855 p. 180; April 15, 1855 p. 150; March 2, 1855 p. 90). Filder was finally recalled July 1855 (Panmure Papers 1908, p. 292; see also Stevenson 1915, letter to his wife 19 June 1854, p. 87).
Officers sent to Balaclava to get rations and extra supplies from the Commissariat were frequently met with, if not hostile passivity, stony indifference and little or no assistance. Requests were dealt with with infuriating correctness and parsimony. Even threatening gestures and, as shown earlier, earnest supplication did not normally dent the icy facade of the Commissariat's professional punctiliousness. The unsatisfied were not however, silent in their battles with the Commissariat. On 13 November 1854, Raglan prepared a memorandum for Pilder where he alluded to the complaints he, personally, received "almost daily of some impediment being thrown in the way of issues". Later, in the same memorandum Raglan, again in his usual restrained and courteous manner, showed his alarm at the "flippancy in answers given (to the requests) for supplies ... without consideration to the fact that it is the duty of all to unite in facilitating the issue of supplies and in providing for the maintenance and comfort of the troops" (Quoted in Hibbert 1963, p.248). Short term improvement unfortunately was almost out of the question for to change the habits of a lifetime in the service of the Treasury was easier said than accomplished. For the Commissariat Officer "to suddenly cast behind every tradition of his department, every habit to which he had been carefully trained and, in the midst of new and arduous tasks, construct for himself a new theory of duty and a new set of regulations" was out of the question (Editor's Preface to Buxton 1883, p.vi). Besides which, as the Roebuck Commission found, Commissariat officers generally had no choice but to follow the given financial instructions that were "enforced, suitable for a time of peace, but inapplicable to a period of war,
and operating unjustly on soldiers" (McNeil and Tulloch Commission 1856, p.281).

Commissaries were only too aware of the eagerness and relish with which the army notoriously sought to blame subordinates for administrative failures and the alacrity with which the Treasury superintended its own regulations (see Ward 1957, pp.70-72). History, as found in the numerous Commissions and Committees that accompanied major conflicts, had demonstrated that any excuse in times of trouble, especially an infraction of rules or procedures however slight or unintentioned, sufficed to unleash and legitimise insidious persecution (see Midleton 1939, p. 138). Members of the Commissariat, like their brothers in the army, therefore endeavoured to eliminate any avoidable grounds upon which they might be the scapegoat for operational difficulties: "their fear of their superior officers ... was abject" (Woodham-Smith 1977, p.114). To take the initiative was to risk severe censure and possibly financial ruin. Consequently, there are few recorded instances of the initiative being taken. Upon being informed in 1855 that the Secretary-at-War, Sidney Herbert, wanted no consideration of expense in ensuring the soldiers were adequately provided for, the Purveyor, Mr. Wreford, retorted almost in disbelief that "this is the first time I have it in writing that I was not to spare the expense. I never knew that I might not be thrown overboard" (Cited in Huxley 1975, p.101).

The rules and financial regulations of the Commissariat were ultimately designed to create uniformity, regularity and ensure conformity (See Durell 1917, p.475; Dawkins Committee 1901, p.182).
Tragically, as the Howick Commission recognised 18 years before the Crimean War, "conflicts of opinion, diversities ... and delays exceedingly injurious to the public service" also result (Quoted in Gordon 1935, p.44). Regulations enabled 'remote-controlled' Treasury supervision; they were, if not the physical presence of the Treasury, its surrogate, the functional equivalent of direct oral orders. As such, behaviour which contradicted Treasury regulations could have been readily and threateningly interpreted as denying the wishes and directions of the office from which they emanated.

In the Crimean Army the web of financial regulations, rules and procedures which served to hem in the Commissariat officer became not only the servant of the superior but of the ranks also. They were used as a defensive fortress into which the supply officer could remove himself (see Woodham-Smith 1977, p.117 for examples). Regulations determined by central authorities as the keystone to a highly centralised system of administration and financial control became not, as expected, a link in a chain of responsibility but rather a component in a chain of irresponsibility. They "were the death of common sense" (Woodham-Smith 1977, p.113; see also Gladstone's comments as presented by Moncrieff 1909, p.380). Regulations effectively enabled the officers of the Commissariat to divorce themselves from the failures of the campaign by the plea that instructions were followed exactly as given (see, for example, the evidence of Commissary-General Filder before the McNeil and Tulloch Commission, 1856). The officers' defence was that they could not be held responsible for anything outside what they perceived as their given mandate. Financial and accounting
regulations as finely detailed as those hedging the British Army's supply services therefore encouraged and produced apathy.

According to the Commissioners of the McNeil and Tulloch Commission the Commissariat, displaying an apparent indifference for the suffering of the army, made little effort to promote improvement. Minimal effort was required, stressed the Commissioners, to meet the outmoded supply requirements and regulations of past campaigns and maintain a general store of supplies shipped from England, the distribution of which "to the members in each division, merely involves the simplest operation of arithmetic" (McNeil and Tulloch Commission 1856, First Report, p.13). To do much else must necessarily be

attended with extra trouble, greater complication of accounts, and no small personal exertion. It is ... natural ... that those who have the charge of supplying the troops should cling to the system which tends so materially to relieve their difficulties (McNeil and Tulloch Commission 1856, First Report, p.13).

Not only did the regulations facilitate punishment but they also therefore defined behaviour necessary to avoid punishment by specifying the minimum level of acceptable performance.

The financial regulations which principally emanated from the Treasury with the express sanction of Parliament thus most successfully destroyed freedom in decision making, the well-spring of initiative which is the very substance of flexibility, intelligent assessment and decision making where conditions are constantly changing. Florence Nightingale observed wryly in 1855 that the members of the supply branches had their heads "so flattened between the boards of discipline that they remain old children all their lives" (cited in Woodham-Smith 1977, p.117).
The financial regulations of the Treasury as they impinged on accounts were of special interest to the McNeil-Tulloch Commission. Thus it is the purpose of the following section to examine the Commission's findings concerning Treasury financial regulations and Commissariat accounts.

2.5 ARMY ACCOUNTING AND THE ROYAL COMMISSION INTO ARMY SUPPLIES

The indignation of the British at home, (for example see Lord Clarendon's letter to Lord Panmure December 23, 1855 Panmure Papers 1908, p. 31), convinced as they were that British casualties were attributable in no small measure to supply inadequacies, determined the Government to establish a Royal Commission to enquire into the supply arrangements in the Crimea. Accordingly letters patent were issued in 1855 and the McNeill-Tulloch Commission set off for the Crimea. Among the directions to the Commissioners they were charged with examining

the mode of accounting, and if the system be in your opinion unnecessarily complicated for a period of actual warfare, you will suggest such means of simplification as may occur to you (First Report 1856, p.3).

Accounting procedures followed in the field were directly derived from the need to ultimately account to Parliament for money

21. The Commission was a sop to public outrage for the Commissioners received very little co-operation either at home or in the Crimea and certainly little thanks from the Government (Quarterly Review Vol. 104 July and October 1858, pp. 535, 537).

The initial impact of the Commission's findings was explosive. This was however, soon tempered by the manoeuvrings of those implicated in causing the army's suffering (Lord Panmure to Sir William Codrington, February 15, 1856 Panmure Papers 1908, p. 105, p. 129).
appropriated to military uses. All accounting practice in the Commissariat was subordinated to and fed into Parliamentary needs.

As it transpired the Commissioners did not find what was referred to as the 'unclassified' system\(^\text{22}\) of accounting used in supply in any way unduly complicated (see Evidence before the Strathnairn Committee 1867, Question 2677, p.208). On the contrary the system "upon which the Commissariat accounts of receipts and issue have for some years been kept" showed itself to be well adapted for service in the field, and hardly to admit of being more simple ... (for the) accounts of the Commissariat Officers attached to Divisions and Brigades consist ... merely of consecutive entries, or jottings, of all receipts and issues ... accompanied by the requisite vouchers (Second Report 1856, p.43; see also Notes on Keeping Army Service Corps Books and Accounts 1919; Furse 1894, p.96).

The operation of army accounting as practiced in the Crimea owed much to the work of Sir Charles Trevelyan,\(^\text{23}\) at one time head of the Treasury and the Commissariat (1840–December 1854), who had taken what had been a tremendously complex system of accounts involving very detailed classifications and in its place instituted the simple cash account and a charge-discharge account for stores.\(^\text{24}\) Sir Charles had recognised, and past operations in the field had shown, that during active service with its intense demands an inordinately complex system of army

\(^{22}\) The accounts were unclassified in that the only essential headings of expenditure used were those reflecting the headings of Votes as appropriated by Parliament.

\(^{23}\) For biographical notes see Trevelyan 1922, p. 357.

\(^{24}\) For details of the complexity of the accounts prior to Sir Charles' work see the Report of the Commissioners Appointed to Inquire into the Mode of keeping the Official Accounts 1829, p. 88.
accounting invariably broke down. According to Sir Charles the uncomplicated and 'unclassified' system of accounts he was instrumental in introducing in the Commissariat when it was under the direct control of the Treasury, not only answered every purpose, but was far better for purposes of check than any more complex system that could be adopted ... and attained the objects of a military system of accounts (Evidence before the Strathnairn Committee 1867, Question 2668, p.207).

The McNeil-Tulloch Commission found also much that was praise-worthy in the arrangement of accounting offices; the main office of audit, which received the accounting reports of the Commissary Officers in the Crimea, located for the duration of the war at Constantinople. In particular, they saw the establishment of a head accounting office in such close proximity highly advantageous in making possible timely enquiries and any adjustments to the accounts that may have been required. By having an accounting office close to the fighting any bookkeeping mistakes had the potential of speedy rectification. Le Mesurier in 1796 also had commended decentralising the accounting function for it is only 'on the spot' that a right judgement can be formed of the difficulties of the (Commissariat) service or a just estimate made of its expense ... (for) it is there that the transaction is ... open to explanation (Cited in Glover 1963, Appendix A).

The Commissioners regarded the ability of the accounting office to acquire local knowledge, because of its close proximity to the front, as the greatest advantage of the accounting function as established throughout the Crimean War (Second Report 1856, pp.43-44).

While the Commissioners could find little fault with the
arrangement of the offices for accounting for army supplies, they found much that needed attention in the operation of the accounting system both at the supply depots at Balaclava and Kadikoi, and by the Quartermasters of divisions and brigades. The accounting for supplies on active service was however, no easy matter if not "one of the greatest troubles on service, and for months after the conclusion of a campaign" (Furse 1894, p.82). Indeed, continued Furse,

... (which) have often to (be experienced) ... on service are not fully taken into account in planning the regulations. The many pressing details they have to attend to in a very limited space of time, ... the want of writing materials, all militate against things being done in a thorough businesslike manner (p.85).

Largely because of the uncertainties and urgency of a major campaign, much to its horror the Royal Commission discovered that the accounts constructed in the field were generally so inaccurate "that but little reliance could be placed upon the accuracy of the ... returns" (Secoand Report 1856, p. 31). The Commissariat account invariably could not be reconciled with the Quartermaster-General's books; frequently the discrepancies in some important items could be measured in thousands. For example, the Quartermaster-General had issued up to the time of the McNeil-Tulloch investigation 36,231 greatcoats, which were duly entered as received by the Commissariat's officers. Yet the accounts of the latter disclosed a

25. The Quarter-Master was responsible for obtaining bulk quantities of supplies from the Commissariat and distributing these to the troops.

26. The Quarter-Master-General was responsible for providing this item of clothing. Acquisition of other supplies was the responsibility of the Commissariat.
total of greatcoats issued and in stores of 23,880, a shortfall of 12,351. Even worse was the unexplained difference in the records for blankets. Some 75,000 blankets were recorded as received, yet only a total 56,950 was disclosed in the records as either having been issued or in store as stock on hand (Second Report 1856, p.31). Despite voluminous correspondence between the Quartermaster-General's department and the Commissariat, and contrary to the advocated advantages of the accounting system expressed by the Commissioners, "no satisfactory rectification of the accounts" had been possible. As the supply position improved from the beginning of 1855 so the accounting for supplies became more inaccurate and chaotic. The members of the Royal Commission "endeavoured to reconcile (returns of the Quartermaster-General and the Commissariat) ... so far as the explanations we received would permit, but the discrepancies are still too great to warrant much reliance upon the returns, ... " (Second Report 1856, p. 31).

The comments of McNeil and Tulloch were scathing, possibly the worst that could be made. The Commissioners were expressing dismay that, in the chaos of a protracted war with its extraordinary demands, despite the immense number of financial and store regulations which manacled the Commissariat and the pettifogging attention to documentation through accounts and the resulting intense surveillance, the accounting results were far from acceptable. The records could not be used with any degree of certainty or confidence. Yet it seemed impossible that the end product of such a closely scrutinised and laborious system could be so worthless or, ever worse still, dangerously deceptive. However,
little else could be expected despite improvement to and simplification in the accounting procedures argued Sir Charles Trevelyan, because the system of accounting and supply was itself defective; there was, noted Sir Charles, far "too little system" (Appendix VII to the Evidence before the Strathnairn Committee 1867, p.266; see also Florence Nightingale's criticism in Huxley 1975, p.100).

It will be shown that financial and accounting regulations gave the appearance of system but were instead a plethora of financial and store regulations which had grown up as circumstances dictated. They were not able to compensate for the absence of financial experience and initiative nor were the supply and accounting regulations capable of recognising deficiencies or pointing towards reforms; they were meant solely to be the servants of the Treasury as the agent of Parliament.

Of particular concern to the McNeil-Tulloch Commission was the system of ration accounting. Like all accounting by the Commissariat the accounting for rations was ultimately subordinated to Parliamentary surveillance of appropriation. The requisition of supplies in the field was by well established procedure, arrangements which the Commission found to have been of "questionable expediency" (Second Report 1856, p.31). In particular the Commission found the system of ration accounting defective and objectionable. Rations were issued by the Commissariat on production of a military indent, covering three days, signed by the Quartermaster and Commanding Officer of the Corps requisitioning the supplies. On the back of the indent form a receipt was made out for the full amount of the stores due to the Corps, according to the
number of men in each Corps. From these ration returns monthly abstracts, in duplicate, were prepared by each Commissariat Officer for each and every unit he was responsible for supplying. The original of the indent was retained by the Commissariat Officer for his own records to verify that all issues for the month could be accounted for. The copy of the monthly ration return was then sent to the Paymaster of the Regiment who ascertained the correctness of the return as to the number of men entitled to receive rations. The return was subsequently taken to the cash office by the Paymaster who paid for the rations from the men's stoppages (see Report of the Commissioners appointed to inquire into the Mode of keeping the Official Accounts, 1829, pp. 36, 39).

Ration accounting had previously been investigated by Lieutenant Leahy, then Acting Quartermaster-General, who on 12 May 1855 presaged the findings of the McNeil-Tulloch Commission on stores accounting when he wrote that the system of ration accounting was both "intricate and laborious" yet without any commensurate accuracy (McNeil-Tulloch Commission, Second Report, Appendix XX, p.16). The accounting records for rations had not been shown to be reliable, relevant nor useful in any manner, he argued. According to Leahy there were two main reasons for the inadequacies of ration accounting. Firstly, he noted that the method of issuing supplies, each unit receiving supplies from its own Commissariat Officer and Quartermaster, meant that a regiment could be rationed by up to nine or ten different officers who normally submitted their monthly returns at different times of the month. "The amount of labour", writes Leahy, "necessary to make up the accounts must be evident as
well as the absence of reliable totals for any month" (Second Report, Appendix XX, p. 16). As well, the paucity of records detailing the location and state of health of each man compounded problems of accounting for rations. The physical condition of the soldier, for ration purposes, could range from physically fit for combat, to injured or unwell, and dead. Each condition had its own scale of rations, the dead soldier of course requiring none at all (to state the obvious) although rations frequently were issued for dead men. The location of the soldier also determined his ration entitlement, whether he be on land, at the front or resting, or at sea (Second Report, Appendix XX, p.16). The abstracts sent by the Commissariat Officer each month were checked, as noted earlier, to ensure only sufficient issues had been made for the number of men in each unit. Thus if there were 150 men originally listed in a unit as entitled to rations then only, for example, 150 lb of meat (1 lb/man) could be issued. Any excess issues would, upon discovery, be deducted from the next issue if not returned in the meantime.

This system could work properly only as long as detailed and accurate records were kept to show where each man was during the month. These records, shows Leahy, were simply not available with the consequence that "it seldom happens that the total number of rations charged for in the abstracts comes up to the number already paid for by the soldier (Second Report, Appendix XX, p.16). This destroyed "the value of the receipt, which ceases to be a genuine voucher" (Second Report, p.44).

A year later the Royal Commission could do nothing but concur with Leahy's judgements. The Commissioners found especially
objectionable, and contrary to the good management of supplies, the practice of automatic supply. Units were frequently told not to bother to present indents for rations. They were instead assured that whenever there were supplies for distribution the units would be sent a proportion appropriate to the number of men listed in the command (Second Report, p.30). This practice of course was bound to create tremendous distortions in the store records for it was inevitable that the amount issued and the amount entitled would be different. In combat numbers change rapidly as reinforcements arrive, men are incapacitated or killed and men are transferred.

The storekeeper, thus entered in his books as issued everything that had been ascertained as the entitlement of the troops and for which an authorised requisition had been made out. The Quartermasters of the units to be supplied however, owing to the drop in numbers occasioned by battle and disease, frequently found it necessary not to draw all the rations to which they were entitled and authorised to receive. By making entries divorced from actual issue serious, and what were to prove insurmountable, errors became built into the store accounts. The situation had deteriorated to such a deplorable, and inextricable level that the Commissioners in 1856 recommended that the books of account for rations be closed off and that no more time be spent on trying to explain errors. They saw the task of investigation and reconciliation of the errors as not only fruitless but tremendously costly and serving no useful purpose as there was insufficient evidence either to apportion blame or institute punishment. Certainly there was little or no prospect of recovering articles unaccounted for in the records (Second
Most, if not all, of the deficiencies disclosed in the Commissariat's store accounts by the Commissioners were the by-product of the turmoil of war, something which the peacetime regulations found difficult to always cope with. Disembarkation peculiarities and difficulties were of particular concern to the Commissioners in explaining deficiencies in store accounts. Commissariat returns disclosed only those items that had been removed from the ships in the harbour of Balaclava, many of which never found their way to the Commissariat's store. There was no consideration in the books of the Commissariat of supplies still afloat, the Commissariat regarding these as none of their responsibility until unloaded. The system of supply encouraged this attitude, indeed made it mandatory. Supplies on the high seas were the responsibility of the navy or the merchant vessel in which they sailed whereas the Commissariat's responsibility extended only to the shoreline. Thus the reticence of the Commissariat in unloading ships, preferring instead to let them float at anchor, mostly full to the gunwhales, with their precious cargo (Russell 1858, p. 240).

Despite their position on stores afloat the Commissariat was not above making issues from cargoes still aboard ship. This cargo taken was very often not entered in the books as having been received, yet when it was finally credited to the Commissariat it "might in fact, have already been issued, wholly or in part" (First Report, p. 8). Stores that arrived without invoices distorted the records even more for there was no established tally of the amounts that arrived and no time for the understaffed Commissariat to count
each item before being stored or issued. Transporting supplies to Commissariat stores added to the accounting problems. The Commissioners went to great lengths to describe the difficulties encountered by the Commissariat in transporting supplies from the wharves. Because of the extreme shortage of fodder there were insufficient mules and horses to transport stores. Thus goods taken on charge by the Commissariat upon disembarcation would frequently remain exposed to the weather to deteriorate (Godman to his father, 27 November 1854, p. 94, in Warner (Ed), 1977; Sherrington, December 1854 in Goldsmith 1979, p. 30; Russell 1858, p. 240). In these circumstances it was to be expected that stock-in-store would be less than that which had been taken on charge. Accurate monitoring and control of supplies was, if not impossible, purely coincidental.

To a significant degree then, the Royal Commission vindicated Leahy's earlier findings that the records of supplies which relied on "lengthy abstracts are useless as checks on the store accounts of the Commissariat ..." (Second Report, Appendix XX, p.16). McNeil and Tulloch argued that reporting which was prescribed within rigid lines needed to be softened with initiative. Regulations, especially those operating in peace, could not hope to meet the demands of war in the inflexible, narrowly oriented form in which they took for the Commissariat. Real or imagined punishments for discrepancies in accounts, no matter how much the Commissariat's officers quaked and trembled at the prospect, could not overcome the polluting influences endemic to war. Threats of future chastisement could only but increase the anxiety and inflexibility of the Commissariat officers as they saw circumstances slipping beyond the
The miasma of errors in the accounts was compounded by the emphasis in army accounting on the charge-discharge form of accounts. Each supply officer was made accountable for all items that entered his store. Once they left his store they were no longer his concern and so he eliminated them from his books. This practice led to the curious "habit of writing off as issues, numerous supplies which had not been distributed to the troops, but which had been merely transferred from the store at Balaclava to the reserve store at Kadioki or to store ships in the harbour" (Second Report, p.31). The stores then, for all intents and purposes, ceased to exist because they did not appear in the Commissariat's records. The storemen and Commissariat Officers appeared to use no commonsense or initiative in the records they made. Their one concern, which overrode any considerations of providing a service suited to the requirements of the situation, was to ensure they had sufficient documentation or proof to cover themselves given, argued the Chancellor of the Exchequer, the "certainty of detection which the nature of the accounts afforded"27 (Evidence before the Strathnairn Committee 1867, Question 2688, p.209). The accounting procedures drilled into the men responsible for supplies,

27. Mere puffery in the light of the McNeil-Tulloch Commission's findings. The accounts did however, have the potential expressed by the Chancellor if they were used within a system of control which realistically accommodated the circumstances of war.
the majority of whom had little education outside that afforded by their oftentimes brief Commissariat training under the Treasury's supervision, encouraged blind attention to detail, to the unthinking application of rigid regulations designed to ensure control over the minutest matters connected with stores and cash. Any discrepancies were made the liability of the storeman and issuing officer (see Furse 1896, p.84). They were thus "paralysed by visions of reckonings to come" (Edinburgh Review April 1855, p.566).

Given the accountability requirements of Parliament\(^\text{28}\) it was not inconsistent for the Commissariat to see the purpose of accounting records in terms of surveillance and stewardship and not as the means to facilitate the pursuance of military victory. Meeting the often urgent requirements necessary for the very existence of those engaged in battle was considered after Treasury requirements had been met. Evaluation of performance and discharge did not consider anything outside that which could be disclosed in reports stipulated by Treasury regulations.

The ostracised position of the Commissariat from the army composed as it was of civilians,\(^\text{29}\) only served to reinforce the callous attention to regulations and the ignoring of the pleas of the combatants (See Chadwick 1964, in particular p. 134 for a discussion of the problems encountered when civilians and military had to work together). The Commission found especially disturbing the manner in which the army was dictated to by the Commissariat and the resentment of the Commissariat towards enquiries and special

\(^{28}\) See Chapter 4.

\(^{29}\) The position of civilians in military administration is examined in Chapter 5.
requests. More often than not "the special wants of each corps were not, therefore, brought to the notice of the head of the ... (Commissariat)" (Second Report, p. 30). The Commission strongly recommended that any practice that relegates the army to a role subservient to the whims, desires and regulations dominating the service branches, the Commissariat in this case, be removed immediately and that the Commissariat be made sensitive and responsive to the demands of the forces in the field. Even better would be the addition "upon the staff of an army in the field (of) an officer ... whose duty it should be to devote his attention to the supply of the army" (First Report, p. 14). Further, the commanding officers were to be given the opportunity to ask for supplies not merely told to sit and wait and be content with what was available even though it may have been inappropriate or superfluous to their needs. The evil created by this latter effect of civilian control of the Commissariat was an ignorant Commissariat; a Commissariat unburdened by army needs. Consequently, we suggest, that the commanding officers ... be informed, at least once a month of the contents of the store ... (Second Report, p. 30).

This noted the Commissioners had "not been the practice of the British Army" (First Report, p. 7).

To envisage that the Commissariat identified itself with the army and its struggle against suffering would be to gloss over the antipathy felt by one for the other. In addition, the army did not supervise and assess the Commissariat, thus the army's criteria for an efficient and effective Commissariat were irrelevant to the Commissariat Officer and his men, who saw the army as completely
separate and distinct from their own organisation. The Roebuck Committee regarded the system of military organisation with supply and finance controlled by civilians as the cause of much of the difficulties experienced by the Commissariat for it did not afford the Commissariat any opportunity of becoming acquainted with the army, or of ministering to its wants; so that in a campaign the officers of this department find themselves called upon to furnish supplies in regard to which they have had no experience ... (1854-55 p. IX).

Indeed the position only worsened throughout the war as the ire of the deprived soldiers became more intense and directed at the Commissariat.

2.6 CONCLUSION AND SUMMARY

The great personal responsibility of each supply officer, discharged through his accounts, induced a state of mind not unlike that required to participate in a game of 'pass the hot potato'. The Commissariat Officer was trained to regard himself and his office as a turntable for supplies; a temporary repository that received supplies from one direction and issued them in another; a policeman directing traffic: "we were mere custodians of stores. We were not supposed to have any knowledge of them, but merely the care of keeping and accounting form them" (Evidence of A. Gunn, Commissariat Officer before the Strathnairn Committee 1867, Question 880, p.51).

The seeming paradox presented by contemporaries at the front of a very hard working but ineffective Commissariat can be explained to a very large extent in terms of meticulous attention to the forms and reports required by Treasury regulations (and ultimately
Parliament). Not only was the Commissariat forced to muddle its way through the goods as they arrived but also they had to deal with, what was patently clear to the Commissaries the most important part of their job, the mountains of paperwork. In other words the Commissariat and the Treasury 'fiddled' while the army 'burned' (see Ward 1957, p.73). Early supply manuals, and subsequent manuals, displayed a disproportionate concern for bookwork and correspondence in comparison to attention given to the mechanics of supply. "Yet that in itself", admits Glover when reflecting upon the 1796 supply manual of Havilland Le Mesurier, "was the natural result of a system under which the Commissary was so much more directly responsible to a Treasury which insisted on accurate accounting than to a Commander-in-Chief who merely wanted his men and horses to be properly fed" (1963, p.257). As the military's banker and the Treasury's, and therefore Parliament's, representative in the field it was above everything else the duty of the Commissariat to call to the attention of the officer commanding ... every instance in which a payment may be authorised, at variance with established regulations, or with any particular direction of the Treasury Board, as well as to report on the subject to the Treasury (Treasury Regulations cited in Clode 1869, Volume I, p.195).

The Commissariat discharged its functions firstly for the Treasury, its real master, and not for the British Army. Fear of an unsatisfactory audit result and consequent Treasury disciplinary measures proved to be the immediate motives in the actions of the Commissariat. From the Commissariat-General down the advantages of a well fed and healthy army seem to have been lost on the Commissariat (see Moncrieff 1909, p.380).
The unsatisfactory state of the supply administration was not the result of individual predispositions. Rather, as alluded to by the Secretary of State for War, Sidney Herbert, the unsatisfactory state of the administration of supplies was very much the outcome of the constitutional history of the army which resulted in Parliament insisting that the army have little or nothing to do with its means of maintenance. It is therefore the purpose of the next chapter to examine those constitutional forces which were the major factor in the development of the structure of financial control as exercised by Parliament over the army, which applied during the Crimean War and throughout the latter half of the 19th century.
CHAPTER 3

CONSTITUTIONAL SECURITY AND
CONTROL OF THE ARMY

Our God and soldiers we alike adore
Ever at the brink of danger;
Not before;
After deliverance, both alike requited
Our God's forgotten and our soldiers slighted.

Francis Quarles 1592-1655
3.1 INTRODUCTION

The purpose of this chapter is to detail constitutional factors which were to convince Parliament it should be omnipotent in military finance and which influenced Parliament in the way it controlled military finance. Understanding the controls exercised over military spending requires firstly awareness of the motives underlying control. Means assume knowledge of ends.

The thesis of this chapter is that the British people traditionally had a well developed and entrenched suspicion of standing armies (See for example Prince Albert to Lord Clarendon, September 17, 1855, Pannure Papers 1908, p.393). This national anxiety in the presence of a standing army was the outcome of both the actions of a vigorous military presence during the Civil War (1642) and the surreptitious build-up of a large army by James II for his own purposes.

Throughout the period under examination, aversion to standing armies reflected constitutional apprehensions but was more an indication of the supposed financial profligacy of armies. Sir Francis Head in 1850 alluded to these two abiding principles upon which the Nation regarded its army: "I have inherited", he announced, "a good old English hatred to the standing army; the thing I tell Ye, is unconstitutional and besides this, I cannot and will not afford it". (Quoted in Sweetman 1971(b), p.75.)

Discussion in this chapter will firstly establish that by the 19th century Britain had a long standing and well ingrained fear of standing armies, especially in peace. As a consequence, Parliament encouraged county militia as a counterbalance to any potential
threat imposed by a standing army. In addition, given Britain's insular position geographically, and National caution in dealings with the Army, the Navy was to rise as the pre-eminent service carrying not only the great bulk of the responsibility for defence but also the Nation's affection.

The remainder of the chapter then examines: the role of 17th century constitutional struggles in shaping the prevailing national attitude of distrust towards the army; the 19th century obsession with military economy and, during the vigorous colonial expansion of the late 19th century, the increased acceptance of a strong military presence.

3.2 DISTRUST OF STANDING ARMIES

English government prior to the 17th century differed quite markedly from its European counterparts in the nature of its monarchical authority. In both France and Prussia royal authority was a product not so much of the professed divinity of the king, as more the extent and loyalty of the army (see Elton 1963, p.42; Trevelyan 1960, p.19; Clode 1869, Vol.I, p.387). In contrast, the strength of the English Crown in the early 17th century was determined less by force and more by the weight of accumulated law and cherished custom which together undergirded royal prerogatives: it was government by "influence" (Edinburgh Review October 1854, p.535; see Barnett 1970, p.71; Elton 1963, p.42, pp.168-169, p.402). Still, it has been argued that military force has, throughout history, been so pervasive that "no community of any
degree of complexity has succeeded in existing without force" (Howard 1978, p. 11). The manner in which this force is harnessed and controlled, of course, has an overwhelming bearing on the nature of the society in which it resides. Indeed, social and political stability have always depended upon clarification of the constitutional position of the armed forces (Howard 1978, p.12; Wade 1977, p.379).

Parliament had consistently regarded armies on English soil, because of the army's sworn allegiance to the ruling Monarch as Commander, as a potential threat to Parliament's sometimes uncertain position in the government of the nation and an inducement to extravagance (Edinburgh Review, Vol. cxxxiii, January to April 1871, p. 240; See "Observations of Lord Pannure", February 1855, Pannure Papers 1908, p.46). This apprehension, still maintained within Parliament, was declared in the Commons in the early 19th century by George Fox who noted that while he respected the army he was not prepared to

sacrifice to them that jealousy which it is the duty of the House of Commons to entertain of every set of men so immediately connected with the Crown. To the Crown they must look for promotion; by the Crown they may be dismissed ... Such being the situation of all Military Officers, they are fit and necessary objects of the jealousy and vigilance of the House ... (Quoted in Clode 1869, Vol.I, pp.271-272).

While armies raised for war on the Continent or elsewhere were seen as necessary, the presence of a large standing army in England during peace could only be regarded suspiciously and with apprehension by a Parliament jealous of its own hard won prerogatives of government ("Observation of Lord Panmure", Pannure
An army in peace, an army with little to occupy its time and energies, was viewed askance by Parliament, ever worried about the machinations of a Crown resentful and reflective of its long lost hegemony in government (see Trevelyan 1960, pp.54-55). A standing army in peace was seen as fatal to liberty "when there is no other employment for them, but to insult and oppress their fellow subjects ..." (Sir Thomas Hanmer, a speech to Parliament, December 6, 1717).

Armies are by nature aggressive; they are the aggregation of the means of great violence, and Parliament, after the Revolution, was intent on ensuring this innate aggression was never unleashed against the Nation. The soldier, according to General Fuller, aroused suspicions because "his calling is negation of justice, of freedom, of loving kindness, and of reason" (1935, p. 4). While ever armies existed in peace it would cause, wrote Sir William Morrice, "a perpetual trembling in the nation, for they are inconsistent with the happiness of any kingdom"; they were an absurdity (quoted in Clode 1869, Vol. I, p. 53; See Dean Swift, On Public Absurdities in England 1718, quoted in Omond 1933, p. 42). Similarly, Commons had resolved in January 1673 that a standing army could be nothing other than "a great grievance and vexation to the people" (Quoted in Clode 1869, vol.I, p.62). Fletcher of Saltoun in his published treatise A Discourse on Government with Relation to Militias (1698) referred to the unease felt by the Nation "when a standing mercenary army is kept up in time of peace; for he that is
armed is always master of him that is unarmed" (Quoted in Omond 1933, p.46). In addition there were:

lesser inconveniences attesting a Standing Army, such as frequent Quarrels, Murders and Robberies ... the influencing of Elections of Parliament by an artificial distribution of Quarters ... the Insolence of Officers, and the Debaucheries that are committed by them and their Souldiers ... to the ruin of Multitudes of Women, Dishonour to their families ... add a numerous train of Mischiefs besides, almost endless to enumerate (An Argument showing that a standing army is inconsistent with a free government, and absolutely destructive to the Constitution of the English Monarchy, J. Trenchard & W. Moyle 1697, as cited in Miller 1946, p.306).

The Army at war in Europe, or elsewhere, was far too preoccupied to be introduced into the domestic plottings of a reminiscent monarch or to concede to its own boredom.

The attitude of the Nation to a standing peacetime army was keenly expressed in 1718 when the annual Mutiny Act attempted to increase the standing army to 16,347 men. Opposition was immediate, intense and vehement on the grounds that the dissenters to this action were unable, in any way, to satisfy themselves

from whence the necessity should arise; the kingdom being now ... in full peace, without any just apprehension, either of Insurrections at Home or Invasions from Abroad (Sweetman, 1971, p. 54).

The dissenters were especially concerned because

so numerous a Force is near double to what hath ever been allowed within this Kingdom by authority of Parliament, in times of public tranquility; and being, as we conceive no ways necessary to support may, we fear, endanger our Constitution ... (Sweetman 1971, p. 54).
So despised and derided was the Army that not until 1794, as a response to the war with France, was a minister appointed who was specifically responsible for military affairs.\(^1\) Despite the pressures of the French war the moves for a separate office for military affairs, as existed in the admiralty, were to the last often strenuously opposed. Dundas writing to Pitt, on July 9, 1794, concerning the suggestion that a separate ministry of war be established, rejected the idea out of hand because of public apprehension: "a War Minister as a separate Department ... on recollection ... cannot exist in this country", it would not be "possible to persuade the public that a separate Department can be necessary" (Rose 1914, p.271). For similar reasons the Nation refused, prior to 1793, to re-create the office of Commander-in-Chief in a perpetual form. Instead, as each emergency arose the office of Commander-in-Chief was brought out and dusted down for the occasion and then later returned to hibernate until the next emergency.

Suspicions that the army would be used to subvert the Nation's liberty involved not only the role of the Crown. The Civil War (1642-1660) incontrovertibly opened the eyes of the nation to the fact that anyone, commoner or royalty, might be able to pull the army along in their train and for their own purposes. The Commander-in-Chief could as easily operate as a locus of

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1. Colonies was added to the portfolio in 1801.
militaristic fervour as any monarch, drawing to himself the loyalty
normally directed to the Crown and the authority that should only be
Parliament's (See Lord Wharton's comments in the Lords' debate of
the 1724 Mutiny Bill, quoted in Clode 1869, Vol.I, p.336). By the
close of the 18th century fears of a rogue Commander-in-Chief had
been tempered. With the declaration of war by France against
England in 1793 the office of Commander-in-Chief was revived and
continued until finally abolished in favour of a General Staff in
1904.

Later armies knew only too well and felt most keenly the
absence of trust and the suspicion of the nation towards them
(Northbrook Committee, 3rd Report 1870, p. ix; See the comments of
an anonymous officer in 1825 as quoted in Sweetman 1971(b), p. 47).

Aversion to a standing peacetime army did not signify that
Commons and the Nation were rigidly pacifist in philosophy or
action. Rather, both preferred a means of military action that
could be regarded as constitutionally safe, and which therefore
could never be a threat to liberty (See Blackwoods Edinburgh
Magazine, Vol. LXXIX, February 1856, p.233). Only the militia,
usually referred to as the 'Constitutional Force', met this
precondition (see Trevelyan 1960, p.55). In 1673 Sir Henry Capel
expressed in the Commons his admiration for the militia, arguing
that "Our security is the militia: that will defend us and never
conquer us" (quoted in Plumb 1967, p.33). The conduct, raising
and supervision of the militia was regulated, in turn, by the
Statute of Winchester (1285) and the Militia Act of 1558 which
created an obligation for all men 16 to 60 to serve in the country militia (Barnett 1970, p. 23; Western 1965, p. 9; Elton 1963, p. 359; Gordon 1935, p. 12; Quarterly Review Vol. 131, July and October 1871, p. 543). The militia was preferred because it was locally raised and therefore, under the control of the local gentry, of whom Commons was largely constituted, who used their social authority to ensure the pliability and docility of the militia (see Plumb 1967, p. 42; Elton 1963, p. 173; Western 1965, p. 323). The gentry could be clearly seen to owe "their allegiance rather to the institutions of the country in Church and State, as established, than to the king seeking to overthrow them" (Clode 1869, Vol. I, p. 36; see also Trenchard & Moyle 1697, p. 21, cited in Miller 1946, p. 310).

The militia seemed to be favoured by Parliament because it was inefficient and increasingly ineffective in armed combat and therefore a most unlikely threat to Parliament (Western 1965, pp. 72-73). European wars in the 17th century had shown militia were no match for well trained standing armies (see Trevelyan 1960, p. 56), an argument presented by those supporting a standing army. Daniel Defoe drew his readers' attention to how "War is now like the Gospel. Men must be set apart for it ... Courage is now less a qualification of a Soldier than formerly, ... Management is the Principle (sic) Art of War" (A Brief Reply to the History of Standing Armies in England ... 1698, cited in Miller 1946, p. 307).

2. For a detailed history of the constitutional role and development of the militia see Clode 1869, Vol. I, pp. 31-36.

3. "The militia looked ridiculous whenever it took the field" (Western 1965, p. 53).
Even if the Crown succeeded in gaining the backing of the militia in its mischievous schemes the paucity of the material available would almost ensure any plans would come to nought. To ensure this, ever watchful of any collectives of organised force, Parliament tended to keep the militia starved of money (see Western 1965, pp. 441-442).

The Preamble to the 1786 Militia Act reiterated the importance of a military force under the command of officers possessing landed property within Great Britain as being "essential to the constitution" (Quoted in the Edinburgh Review Vol. CXXXII January to April 1871, p. 211). The militia was commonly seen as a counterbalance to the army's military might: with a large part of the nation's citizens armed and trained for battle, however inefficient they may be, the army would have to include overcoming possible militia opposition in any plans they may have had to usurp national liberty and Parliamentary authority (see A letter from a By-Stander to a Member of Parliament as referred to in Western 1965, p. 112).

To Parliament an efficient and effective fighting force was a potential source of the means of oppression and tyranny, especially if located on English soil. By the mid-19th century The Edinburgh Review regarded this apprehension as "excessive" (Vol. CI, April 1855, p. 565). There thus arose a curious paradox, apparently acceptable to the majority of society, of political security and desirable military inefficiency which was to dog the army and Britain in the 19th century (Blackwoods Edinburgh Magazine, November 1857, p. 575; The Contemporary Review, December 1886, p. 766). The
country was prepared to tolerate this curious position arguing, as the *Times*, that "Our free constitution is a source to us both of strength and weakness. The strength is perpetual, the weakness periodical" (February 11, 1854). Parliamentary political supremacy, military amateurism and inefficiency thus became synonymous (see Anderson 1967, p.7; see Prince Albert's criticism of inefficiency and amateurism, Prince Albert to Lord Clarendon, September 17, 1855 *Panmure Papers* 1908, p.393). This paradox led Lord Salisbury to announce, "I do not believe in the perfection of the British Constitution as an instrument of War" (1900, Quoted in Ehrman 1969, p. 85). Indeed, it proved exceedingly difficult to uncouple this curious triumvirate even when the motives for parliamentary suspicion of standing armies de-emphasised constitutional uncertainties in preference for concern over military economies. As long as the Army remained subordinate to the National Will it could of course only be efficient if the Nation gave adequate provision to ensure efficiency (Amery Vol.2 1902, p.44; *Quarterly Review* Vol. 199, January to April 1904, p. 40).

The preference for amateurism in the international military arena was not as obtuse as it may now appear, for England's separation from the European continent by the channel provided a barrier of space and time (Howard 1978, p.13; see Elton 1963, pp.357-364). Britain had, in the event of threat of invasion, time to raise an opposing force; time provided by the breadth of the channel and the imposing wall of ships that could be summoned and
mustered in and around Britain's shores (See Trenchard and Moyle 1697, pp.18-20, cited in Miller 1946, p.311; Edinburgh Review Vol. CLXI January to April 1885, p. 177). It was "not to be taken for granted", remarked Sir Thomas Hanmer,

that if we dismiss our soldiers, we shall therefore leave ourselves naked, and void of all protection against any sudden danger that may arise ... Providence has given us the best protection ... Our situation is our natural protection; our fleet is our protection (Speech in the Commons on December 6, 1717).

The British felt comfortable in the 'splendid isolation' that their wooden wall of defence provided ("Observations of Lord Panmure", February 1855, Panmure Papers 1908, p. 46). Unlike its European neighbours hemmed in by potentially and actively dangerous countries and therefore obsessed with military might (Einzig 1959, p.30; Omond 1933, p. 5), Britain could afford to adopt, comparatively, a neglectful attitude towards its army (Blackwoods Edinburgh Magazine November 1857, p.575). Florence Nightingale, relecting upon the relative political tranquility of England, remarked on returning home from Europe in November 1838 how that "at home in England changes and revolutions are like storms one only hears" (cited in Woodham-Smith 1977, p.27). Upon the announcement of an increase in the Naval Estimates from £19m to £22m in the 1896-97 budget Lord Goschen, then First Lord of the Admiralty and previously Chancellor of the Exchequer, sought to deflect criticism by England's main rivals by reminding them of England's peculiar defence requirements. Accordingly,
Foreign Countries should not compare these estimates with what they spent on their navies. They must consider comparatively what they spent on their armies; because the squadrons we sent to sea were the corps d'armee that we placed on our frontiers, as they placed corps d'armee upon theirs (Quoted in Elliot 1911, pp.207-208).

Thus, opposition to a standing army can be viewed in terms of glaring self interest and economic sense: it was better to have an inexpensive, though ineffective militia, and devote more resources to a constitutionally benign but aggressively potent navy\(^4\) than run the constitutional gauntlet of a large standing army.\(^5\) There would always be time to arm and supplement the militia. As a consequence, the Nation "never looked upon the Army as a force which was to be kept available for foreign aggression" ("Observations of Lord Panmure" February 1855, Panmure Papers 1908, p.46).

Impatience throughout the Nation with a defence policy which continued to rely very greatly on the navy at the expense of the army steadily grew towards the late 19th century. In particular as international squabbles increased and steam ships, which could cross the channel in an hour independent of prevailing winds, became the norm for all navies dissatisfaction grew (Edinburgh Review October 1895, p. 539; The Contemporary Review December 1886, p. 763; Fortnightly Review No. CCLII, New Series, December 1887, p. 746; Edinburgh Review Vol. CLXXXV, April 1897, p. 509; Westminster Review Vol CXXVIII, April to December 1887, p. 154).

4. "Our Navy must be our first and greatest defence" wrote Sidney Herbert in a confidential Memorandum to Cabinet, December 13 1859 as (cited in Stanmore Vol II 1906, p. 274).

5. Firm belief in a strong navy was still evident at the end of the period of this study (See S.C.G. 1903, p.459), but now in conjunction with demands for a strong army to meet the possible threat of the new navies of America, Germany, France, and Russia (S.C.G. 1903, p.460).
3.3 THE ARMY AND THE 17TH CENTURY CONSTITUTIONAL STRUGGLE

3.3.1 The Petition of Right

The ever present fear of Parliament of a large, brooding army loyal to the Crown was openly expressed in the Petition of Right presented to Charles I in 1628. The Petition, which Elton has branded "as futile a document as even constitutional struggles have ever thrown up" (1974, p.160), brought into the open the issues involved in the long constitutional struggle between Crown and Parliament which had simmered since Magna Carta and which derived from differing beliefs on the authority of the Crown. James I had kept alive the mutual distrust of Crown and Parliament with his treatise on kingship, True Law of Free Monarchies, which expressed in some detail his belief in an absolute monarchy founded on the principles of divine right. The King (or Queen) in James' view was answerable only to God, he was above all law for "a good King will frame all his actions according to the law, yet he is not bound thereto but of his good will and for good example to his subjects" (quoted in Williams 1965, p.39). Fortuitously for James the monarch, again in his view, also had the divine right to control taxation.

James' monograph greatly alarmed Commons. The opinion held by Commons and the framers of the Petition of Right, most notably Edward Coke, in contrast stressed the moral and legal supremacy of the Common Law of England over both Sovereign and Parliament (see White 1979, p. 224 in particular). Matters came to a head and the Commons, which had found it increasingly difficult to develop a working relationship with James I's abrasive and tactless son Charles I (see Einzig 1959, p.57), became apprehensive when Charles
in 1628 declared that a state of martial law existed throughout the country. Charles took this step to facilitate the control of soldiers returning from the Isle de Rhee expedition sent to rescue the Huguenots. The returning soldiers were, as was usual, billeted in households around the country. Billeting however, had always been resented by both commoner and aristocrat alike (see Trevelyan 1960, p.55): few householders looked forward with relish to the prospect of entertaining for an indeterminate period, an army of men who were

the most drunken and probably the worst man of the trade or profession to which he belongs (Wellington, Dispatches V pp.592-3, quoted in Hanham 1969, p359; see also Woodham-Smith 1977, p.117).  

Wealthy citizens could escape the rigors of billeting by payments to the Crown in lieu (for examples, see Clode 1869, p.19 and p.61). Consequently, billeting was seen by Parliament not so much as a convenient and inexpensive way of housing troops as a devious, coercive measure to exert royal pressure on those reluctant to grant loans and benevolences to the Crown (see Einzig 1959, p.52).

The Petition of Right in 1628 called upon the King to rescind his martial law proclamation, which had effectively meant that civilians were under the authority of the military, and withdraw all soldiers from their billets. Later, dissenters to the 1718 Military Act were to brand martial law as "unknown to our Constitution,

6. It was not uncommon for the army when in need of recruits to empty the prisons and taverns and to "scour both town and country of rogues and vagabonds" (Barnaby Rich 1587, as quoted in Wheeler 1914, p.5; see also General Fuller 1935, p. 6).

7. Clode called billeting the "greatest social evil endured by the people" (quoted in Gordon 1935, p.147).
destructive of our Liberties, not endured by our Ancestors and never mentioned in any of our Statutes but to condemn it". The 1718 antagonists were also especially concerned at the temptation of any army, during a period of martial law, to strip others "of all the Rights and Privileges which render People of this Realm the Envy of other Nations".

Coincident with its demands concerning the army the Petition also required Charles I to recognise Parliament's exclusive authority in all matters of finance:

... no tallage or aid shall be paid or levied by the King or his heirs in this realm, without the ... authority of Parliament ... (for by) good laws and statutes of this realm, your subjects have inherited this freedom, that they should not be compelled to contribute to any tax, tallage, aid or other like charge, not set by common consent in Parliament.

Unfortunately for Parliament the tentative expression of its intent and belief found in the Petition of Right achieved very little in the way of executive recognition of Parliament's financial powers. Before the issue of financial control was finally settled in Parliament's favour another sixty years were to pass and the country was to endure a civil war and a revolution.

3.3.2 Civil War and the Interregnum

During the rebellion by Parliament against the Crown in 1642 a large and well led army was raised by Parliament. This army proved so effective that not only did it successfully deny victory to Charles' forces but by 1647, under Cromwell, it had become the most powerful estate of the realm (Williams 1965, p.71; Barnett 1970,
However, at the cessation of hostilities in 1647 Parliament discovered that it had created a monster, in the form of the army, that threatened to devour its master (see Churchill 1962, Vol.II, p.210). It was astutely realised, but too late, that "a victorious army, out of employment, is very inclinable to assume power over their Principals" (A contemporary observer as quoted in Williams 1965, p.75). Parliament soon saw it had placed itself in a position no less unfavourable than that of the king. From 1647 to 1660 the military were supreme in the land (Barnett 1970, p.102).

During the Interregnum the army evolved a character peculiar to itself and divorced from Constitutional history and from the traditional structure and habits of English society (See Prince Albert to Lord Clarendon, September 17, 1855, Panmure Papers 1908, p. 393). Cromwell was only too well aware of the exposed position of the army and attempted, though manifestly unsuccessfully, to marshal behind him a durable base of support and acceptance. Despite his efforts at no time was Cromwell able to successfully masquerade the army as constitutionally compatible with English history and life. He was unable to give the army chameleon like qualities to enable it to meld into the social fabric or to gain the army acceptance as a beloved institution. In the meantime the public became the army's hawkeyed adversary.

8. Davies refers to the New Model Army as "a political force of the first magnitude" (1954, p. 26).

9. In 1857 Blackwoods Edinburgh Magazine could still confidently pronounce that "The army can never become among us more than an adjunct to our national institutions - a mere excrescence growing out of them" (Vol.LXXXII, November. 1857, p.5891).
Cromwell's most outlandish attempt at integrating the army into national life and the nation's conscience was his Instrument of Government (1653) (Gardiner 1906, p. 504). Whereas Parliament, even the sham Rump Parliament, refused to acknowledge the need for a standing army and to allow financial provision for its maintenance, the Instrument of Government clearly established the army as an integral feature, if not the essential institution of English society and government. Section XXVII declared "that a constant yearly revenue shall be raised ... for maintaining of 10000 horse and dragoons, and 20000 foot ...". Cromwell aggravated the population even more when he divided local government into eleven districts under the direct control of Major-Generals. Unfortunately these military districts bore little resemblance to the traditional rustic structure and county loyalties of English country life. Country gentry were forced to stand aside and let the army take over their position of influence and leadership in their local community (see Trevelyan 1960, p.14). Meanwhile, Cromwell declared himself 'Lord Protector of the Commonwealth of England' yet was widely regarded not as a protector but a substitute absolute ruler whose authority rested not on custom and statute but on the very much less acceptable exercise of naked violence and threat. The Civil War had not set out to destroy the institution of the monarchy, let alone replace it with what was regarded as an offensive deformity in the shape of the military (see Barnett 1970, p.107; Williams 1965, pp.71-85). "Is this the liberty which we claim to vindicate by shedding our blood?", queried the Earl of Essex, "... Posterity will..."
say that to deliver them from the yoke of the king we have subjugated them to that of the common people" (quoted in Williams 1965, p.72).

The 'common people' referred to by the Earl of Essex were the officers of Cromwell's army who represented a complete break with tradition. Commissions in Cromwell's army were dominated by the lower classes on a scale never to be repeated until the 20th century. At the time, and later, it was argued that the inherent poverty of these members of the now ascendant lower orders made the army especially dangerous. Because the New Model Army's men were poor they had a strong interest in remaining in the paid employ of the army (Quarterly Review Vol. 129, July to October 1870, p. 246). Therefore, there arose concerted resistance within the army against attempts by Parliament to disband the army.10

John Lilburne, a leader of the Levellers, decried Cromwell's reign (for which he was subsequently imprisoned):

I had rather chuse to live seven years under old King Charles ... than live one year under this present Government that now rule: nay let me tell you, If they go on with that tyranny they are in, they will make Prince Charles have friends enow, not only to cry him up but also really to fight for him ... (Quoted in Gregg 1961, p.283).

10. The purchase system which ensured an aristocratic officer class, did not however, have these constitutional disadvantages. The abandonment of purchase in army commissions in 1870 brought on a rash of articles, some of which again alluded to the danger of employing officers from the lower classes because the army would be their "sole object in life" (See the Edinburgh Review Vol. CXXXIII, January to April 1871, p. 239).
The Civil War and its military dictatorship aftermath etched indelibly on English minds the potential for oppression by a national army harnessed by a despot (see Trevelyan 1960, p.55; Gordon 1935, p.24). As a consequence the army in Britain became an exotic ... unknown to the old Constitution of the country; required or supposed to be required, only for the defence of its foreign possessions; disliked by the inhabitants, particularly of the higher orders, some of whom never allow one of their family to serve in it ... The officers and soldiers of the army are an object of dislike and suspicion to the inhabitants ..., (Wellington, Dispatches V, pp.592-3, Memorandum on 22 April 1829 as quoted in Hanham 1969, p.359; also see Barnett 1970, p.110).

3.3.3 The Revolutionary Settlement of 1689

Demands for the return of the monarchy, despite the Civil War still a much loved institution,11 saw the restoration of the Stuarts to the throne in 1660. Charles II, son of Charles I, sought to restore England to its previous position of greatness by promoting commerce, science and the navy. However, his brother James II, who succeeded him, through his persistent challenges to Parliament's exclusive right to levy taxation and to appropriate the revenue, and his religious views, ensured the demise of the Stuart monarchy.

James II, unable to pay for a large army from Parliamentary grants, had directed "money for and to the use of the Crown by Pretence of Prerogative for other time and in other manner than the same was granted by Parliament ..." (Declaration of Right, 1689).

11. Churchill argues the king was loved not only for his position as monarch but because, even in revolution, of the conviction that "law in his name was the sole foundation ... of all law" (Churchill 1962, Vol. III, p. 212).
He had taken money destined for the militia and the navy (see Gordon 1935, p.233) and by stealth, had raised and maintained a large army of 34,000 men by 1688; an army which, according to Barnett, "badly frightened the nation - far more than Cromwell's. It has been so plainly designed to coerce" (1970, p.122; also Einzig 1959, p.119; Gordon 1935, p.25; Clode 1869, Vol.I, p.25 and p.54). The army was far larger than any previous monarch had been able to maintain in peace and thus a far more dangerous portent of arbitrary autocratic power based on military intimidation.

Consequently, the Bill of Rights sworn to by William and Mary of Orange, categorically denounced monarchy devoid of Parliamentary control: (Almighty God) deliver "this kingdom from Popery and Arbitrary Power". The Bill of Rights established the authority of Parliament once and for all over the Crown by establishing a constitutional monarchy. The king was now a servant of the State and Parliament henceforth "was free to harry monarchs, topple ministries, cut supplies, refuse taxation ..." (Plumb 1967, p.73; see also Trevelyan 1960, p.133, and p.164).

To "secure the Rights and Liberties of the Lords Spiritual and Temporal and Commons" from being invaded and overpowered by military force the incumbents to the throne were made to agree, as a condition of their assumption of the monarchy, that Parliament was supreme in law making and that only Parliament could raise an army (Bill of Rights as quoted in the Quarterly Review Vol. 146, July to October 1878, p. 237; see also the Quarterly Review Vol. 189 January to April 1904, p. 40). To circumvent any tendency towards forgetfulness or laxity on the part of the monarchy in the matter of
authority over armed forces, each year in the Mutiny Act the Crown was required in the opening to that Act to reaffirm its allegiance to the principle of parliamentary control of the army as enunciated in the Bill of Rights (1689 1 William and Mary c. 5 & 6 S.R.55). The annual Mutiny Act also represented, in part, the ultimate compromise reached between Crown and Parliament in the contest for control of the army. The army became a constitutional force, though not a Parliamentary Army, whose existence depended on votes of supply made by Parliament. Its loyalty however, remained the province of the monarch until the 19th century (1870).

A cornerstone of the British Constitution in the late 17th century was therefore the supremacy of Parliament in all matters related to the administration, though not command, of the army.

12. Section VIII of the first Mutiny Act in 1689 stipulated the annual provision.

13. The Mutiny Act required the monarch to affirm "it is illegal for the Queen [King] to keep a standing army in time of peace". (See Wilson 1973, p. 50).


15. This was seen as a great strength because by taking command of the army from the Parliament it could never become an instrument in Parliamentary tyranny: "Once allow the command of the Army to pass out of the hands of the Crown ... and the Army becomes a Parliamentary Army and would become dangerous to the State" (Duke of Cambridge to Queen Victoria quoted in Wilson 1973, p. 51).
3.4 INFLUENCES ON 19TH CENTURY ATTITUDES TOWARDS THE ARMY

The 18th century marks the grudging acceptance by the nation of a standing peacetime army, although not the total allay of suspicion (Quarterly Review, Vol. 129 July to October 1870, p. 250). A closer relationship emerged between army and Parliament with civil-military antagonism derived less from constitutional issues and more from administrative disagreements, particularly over money (Roseveare 1969, p.186). In the 19th century attitudes toward the army were shaped by a complexity of influences: constitutional, political, moral, class and economic.

There still remained in the 19th century a lurking and what might be regarded as paranoic antipathy towards the army derived from constitutional fears (See Blackwoods Edinburgh Magazine, Vol.LXXXII, Nov. 1857, p.575; Fortnightly Review, Vol. CCXCIV, New Series, June 1 1891, p. 858). The appointment, for example, of Sir Redvers Buller, a general in the British Army, to a civilian position in Ireland in 1886 created great consternation, with many regarding the appointment as "a standing innovation in our Constitution, a serious blow to civil and religious liberty" (as summarised by Lord Randolph Churchill 1886, in Churchill 1906, p. 142). Recognising the civilian lordship of the army as found in Parliament's authority, and representative the Secretary-at-War, Lord Hardinge in 1832 indicated with satisfaction that

the Secretary-at-War is in a constitutional point of view, the proper person to draw up the Mutiny Bill ... He is bound to stand between the civil subject and the military, and it is his duty to see that the civil part of the community are properly protected ... (Referred to by the Hartington Commission 1890, p.XXIV).
In the 19th century the Nation appeared unable to free itself completely of the spectre of rampant military might in Britain. Soldiers were not permitted in the House of Commons, unless a member or a witness, until August 1855. Further, use of the army to quell internal rebellion, as at Preston in 1842, only served to add fuel to radical fervour opposed to a peacetime army on any terms. The army was commonly seen as a pawn of the ruling classes and an instrument to oppress working men and deny them reform (See "Observations of Lord Panmure on Military Organisation", Panmure Papers February 1855, p. 46; Sweetman 1971(b), p.83; for further examples and comments see Clode 1869, Vol.II, pp.152-155). Between 1846 and 1856 the army was called upon to aid civil authorities on fifty five occasions (British Parliamentary Papers 1856 (126) L. pp.522-523).

Recommendations of the Hartington Commission (1890), namely abolition of the post of Commander-in-Chief, and allowing one minister complete control over the army in all matters, still had the capacity to resurrect old antipathies. The Prime Minister, Campbell-Bannerman, rejected the suggestions of the commission on the ground that they amounted to an unwarranted extension of the military presence when England was at peace (Campbell-Bannerman quoted in Ehrman 1969, pp. 17-18).

Fear of the Crown usurping Parliament's authority with the aid of the army had however, become a pitiable anachronism, an 'absurdity', by the mid 19th century ("Observations of Lord Panmure" February 1855, Panmure Papers 1908, p. 47). By the middle of the 19th century for many of the middle and upper classes the greatest threat to the constitution as it stood was certainly not fear of a
renegade sovereign deploying the army for their own ends. Instead, the extension of the suffrage beyond the middle classes loomed on the horizon as the single greatest threat. Both John Stuart Mill and Walter Bagehot wrote of the 'tyranny of the majority' (See Houghton 1957, pp.55-56). In the Preface to the second edition of his book *The English Constitution* Bagehot drew his readers' attention to the danger of "a political combination of the lower classes geared as it needs to be to their own objects". This "evil of the first magnitude" would mean that the lower classes would be "supreme in the country; and that their supremacy, in the state they now are, means the supremacy of ignorance over instruction and numbers over knowledge". Not all commentators were so pessimistic (Fortnightly Review, Vol. XXXII, New Series 1882, p. 723; The British Conversationalist, Vol. III, New Series 1857, pp. 65-67, 123-129, 217-221, 267-271, 169-171).

3.4.1 Moral and Social Attitudes Towards the Army

Moral indignation to military might strengthened in the mid 19th century. Both Gladstone and Sidney Herbert were noted for their devout Christian outlook which found it difficult to accommodate enthusiasm for forces of destruction and death, even on a national scale (see Woodham-Smith 1977, p.59). Gladstone regarded the army as amoral and a vicious waste of money while to Cobden a national army was a curse (Sweetman 1971(b), p.84).

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16. This was also blamed for the blossoming expenditure on the army in the late 19th century (*Edinburgh Review*, Vol. CLXXXV, April 1897, p. 507).
Wellington in 1809 could, without fear of contradiction, characterise his nation as "not naturally a military people; the whole business of any army upon service is foreign to our habits"\(^\text{17}\) (cited in Sweetman 1971(b), p.84). Similarly in 1816 the founding of the United Services Club prompted Lord Liverpool to confide to a friend:

a general military club with the Commander-in-Chief at its head is a most ill advised measure, and so far from it being serviceable to the army it will inevitably create a prejudice against that branch of our military establishment ... (Quoted in Barnett 1970, p.279).

Palmerston could still gather support and sympathy when in 1854 he persisted in referring to the militia as a civilian bulwark against the military (Anderson 1967, p.58, footnote 1).

3.4.2 Economic Parsimony

Thus, despite pockets of reaction, by 1854 constitutional antagonism between the Crown and Parliament had long ceased to be the main force which sustained Parliamentary determination that military spending would be closely hedged by Parliamentary imposed controls ("Observations of Lord Panmure" February 1855, Panmure Papers 1908, pp. 46-47). Instead, by the mid-19th century Parliament's relations with the army were heavily influenced more by

\(^{17}\) Trevelyan characterised Wellington, "England's greatest soldier", as "the least militaristic of men". He was concerned that the soldier be seen simply as a gentleman serving his country in this capacity (1922, p.173).
a national obsession with economic parsimony and uneasiness with what was seen as an incorrigibly spendthrift army. "Parliament", noted Gordon, "had exchanged new panics for old"; dislike for the costs of maintaining a standing army sufficient to ensure the Nation's safety instead of fear of the army itself (1935, p.56). Especially to the close of the 1880's this was to be the dominant justification for close control of army finances (see Lord Randolph Churchill, "Memorandum to the Hartington Commission" 1890, p.xv).

Throughout the latter years of the 1880's however, Parliament, though not by any means unanimously (see Midleton 1939, p. 77), tended at times to be less concerned about economy. The shifting balance of power in Europe with the rise of Germany as a Nation State and the naval buildup in Germany (especially after the Naval Act of 1891) contributed towards disillusionment with stringent and crippling military economy (See Comments in The Fortnightly Review, New Series April 1, 1900). There was further political pressure throughout the late eighties and early nineties when France and Russia developed increasingly close ties, much to the consternation of Britain. In particular, Britain was worried that a close alliance between France and Russia would allow Russia to seriously challenge British interests to the north of India and allow France a freer hand to prod the British empire in Africa (Quarterly Review, January-April Vol. 164, 1887, pp. 219-240).
The last two decades of the 19th century were also internationally very unstable as colonially agrieved new nation states sought to obtain their place in the 'colonial sun', especially in Africa and China. War appeared ready to break out on numerous occasions (see Lord Salisbury to Lord Randolph Churchill 22 December 1886, in Churchill 1906, Vol II p. 237; Lord Beaconsfield to Queen Victoria, 16 July 1877 in Hicks Beach Vol. I 1932, p. 63; Sir Michael Hicks Beach to Lord Salisbury 10 October 1878 in Hicks Beach Vol. I 1932, pp. 71-72; Sir Michael Hicks Beach to Sir Bartle Frere, April 4 1878 in Hicks Beach Vol I 1932, p. 84; Atlay 1909, pp. 47-48; Fortnightly Review, New Series, Vol. CCCC, 1900, pp. 792-806). Therefore, increased military spending became unavoidable as the empire grew. Military spending throughout the second half of the 19th century was a barometer of the international forces which came to bear on domestic political policy (see Lord Randolph Churchill to Lord Salisbury, 22 December 1886, in Churchill 1906, Vol. II, p. 238).

18. Military Expenditure 1870-1904

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1870</td>
<td>£13.4m</td>
</tr>
<tr>
<td>1880</td>
<td>£15.0m</td>
</tr>
<tr>
<td>1890</td>
<td>$17.6m</td>
</tr>
<tr>
<td>1895</td>
<td>£18m</td>
</tr>
<tr>
<td>1900</td>
<td>$21.4m</td>
</tr>
</tbody>
</table>

"The public demand (in the late 19th century) was always for expenditure, never economy" (Hicks Beach 1932, Vol. II p. 147).
3.5 CONCLUSION AND SUMMARY

Controls are developed and instituted to serve certain predetermined ends. Controls are derived mechanisms, the value and effectiveness of which can only be ascertained by knowing the forces which brought them into being. Further, controls become unintelligible if decoupled from the ends they were meant to serve.

It has therefore been the object of this chapter to examine those forces which motivated Parliament in its control of military finances. This involved firstly a study of 19th century national and Parliamentary attitudes towards the British Army. It has been shown that there was traditionally little affection shown by the Nation for its army, apart from during periods of war. The army was, whenever possible, kept at arm's-length, garrisoned in the corners of the Empire or imposed on unwilling hosts in Europe and stationed as little as possible at home. This attitude was especially curious when compared to the honoured position of the large standing armies of France and Prussia. It was therefore also the purpose of this chapter to examine those forces and events which shaped 19th century British antipathy towards standing armies.
Constitutional broils of the 17th century in which the army played a prominent and, what was widely seen as a distasteful and treacherous part, had produced National and Parliamentary apprehensiveness towards a standing army. This had determined Parliament to use the powers at its disposal to exercise administrative control over the army to meet the influence of the Crown in the command of the army. In particular Parliament, uncertain still in some measure of its authority and jealous of the esteem held for the Crown by society at large, was determined to exercise a rigid control over the army's spending through various means as examined in the following chapters.

The structure of financial control prompted by constitutional difficulties remained in force throughout the 19th century despite a shift in Parliamentary attitudes. Parliament was no longer obsessed with creating constitutional brakes on the army but instead concentrated its concern on economy in military spending within the limits imposed by the rapid colonial expansion of the latter decades of the 19th century.

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CHAPTER 4

PARLIAMENTARY FINANCIAL CONTROLS:
APPROPRIATION, ACCOUNTS AND AUDIT

There is that scattereth, and yet increaseth;
and there is that withholdeth more than is meet,
but it tendeth to poverty.
(Proverbs, 11:34).
4.1 INTRODUCTION

This chapter will establish the crucial role which extra-departmental financial controls played in Parliamentary control of the British Army in the period 1846-1899. Apart from the exclusive right to tax, foremost amongst the financial controls was Parliament's right to sanction the appropriation of public money to particular uses. This guaranteed Parliament omnipotence over the size of the army but little else. Appropriation could not of itself guarantee that Parliament's wishes in any one year would be respected for appropriation did not contain the ability to review expenditure. Not until appropriation was coupled with the demands that: i) detailed accounts be kept and arranged to exactly parallel the headings of expenditure as approved by Parliament;

ii) accounts be audited by an external body, the Comptroller and Auditor-General, answerable to Parliament;

iii) accounts be presented to Parliament on a regular basis through its own examining Committee, the Public Accounts Committee, was Parliament's financial control of the army secure. Only when these accounting provisions were met was Parliament able to monitor both the size and pattern of spending of the army. This chapter therefore also traces the introduction of audit in military accounting on behalf of Parliament and consequent developments in military accounting relevant to the period of this study.

While this chapter is primarily occupied with financial controls attention is also directed to general military implications of these financial controls for rarely was military efficiency the
reason for financial changes. Consequently, with each new development which strengthened Parliamentary surveillance of military spending the cry frequently arose from within the army that military performance would suffer.

4.2 CONSTITUTIONAL SECURITY AND THE ROLE OF FINANCE IN THE CONTROL OF THE ARMY

Finance and control of the military had always been indissolubly linked in the constitutional struggles between the Crown and Parliament. Parliament saw its control over the means of maintaining an army as a safeguard against despotism, won with difficulty and grasped with unswerving tenacity by Parliament (see Trevelyan 1960, p.56 and Chapter 2): "The Minister who holds the purse-strings of the Army, ... will always have the power in his hands" (Evidence of the Secretary of State for War, Sidney Herbert, before the Select Committee on Military Organisation 1860, Question 6372; See Arnold-Forster for a criticism of Parliament's financial role, 1906, pp. 437-438).

Nothing was more important, argued Clode, in maintaining civilian liberty than the question of army finance (Vol.I 1869, p.110): the army must never be allowed near the public purse for, warned Clode, "a country ceases to be free when its Treasure is under the influence of the army" (Vol.I 1869, p.186, also see p.265). Control of finance was consequently based upon constitutional apprehension and jealousies (see "Observations Upon the Memorandum of Financial Control by the Chancellor of the Exchequer" by the Comptroller-General of the Exchequer, Select
Committee on Public Monies 1857, Appendix I, p.562; Wellington's "Memorandum on the Report of the Howick Commission (1837)" and his memorandum to Lord Melbourne (1838) as cited in Clode 1869, Vol.II, pp.759-763). Parliament had recognised very early that the ability to raise and control finance was the foundation of authority in government and for the legislature the most effective instrument against executive tyranny (Carter 1972, p.111; Hughes 1934, p.122). "Vast, almost beyond description", commented the Quarterly Review, "is the power ... of a Minister who controls the finances of a great country ..." (Vol. 166, January to April 1888, p. 515). Thus it was not surprising that

from the very outset after the Revolution Parliament endeavoured to establish and maintain close financial control over the fighting services in general and over the army in particular (Einzig 1959, p.118).

To give the army ready access to the Public Treasure was, in Parliament's view, leaving the way clear to a reversion to the anarchy and oppression of the Interregnum. Parliament was especially ruthless with 'vipers in its own bosom' who attempted to deny and circumvent Parliament's wishes in respect of the army. For example, articles of impeachment were prepared in 1686 against the Parliamentarian Edward Seymour for providing money for the support of the army after a date Parliament had stipulated for its disbandment. No offender was beyond Parliament's rage, even Lord Treasurers (see Clode 1869, Vol.I, pp.66-67).
Liberty, described by Peter Wentworth in 1576 as a thing of "value beyond all inestimable treasure" (quoted in Elton 1963, p.317), was seen by Parliament as inseparable from control of the army and finance. Gladstone referred to the control of finance as a powerful lever for English liberty (cited on the title page to Einzig 1959, also p.18; see also Lord Randolph Churchill as reproduced in Churchill 1906, p. 132). Control of the public purse was not infrequently regarded as being sacred (Westminster Review, January to April 1876, New Series p. 167). Whoever controlled the Nation's finance controlled, amongst other things, the army. Members of Parliament thus had a tendency to become unsettled when the Crown appeared to be given too much money with not enough apparent restrictions. In particular Votes of Credit,\(^1\) either during peace or war, were widely distrusted for the latitude they afforded the executive (Speech in the House of Commons, February 11 1740, Cited in Einzig 1959, p.146). Affirmation in the 1689 constitutional settlement of the Englishman's right not to be taxed without his consent and Parliament's right to be solely responsible for raising taxes cemented a long established practice dating from the Model Parliament of Edward I in 1297 and Magna Carta\(^2\) (see Robinson 1924, p. 142; Elton 1963, p. 67, Phillips and Jackson 1978, p. 45):

No scutage nor aid shall be imposed on our Kingdom, unless by common counsel of our Kingdom (Chapter 12 of Magna Carta).

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1. These were 'blank cheques' given by Parliament to meet expenditures, usually during national emergencies.

2. Even earlier argues Einzig (1954, p. 34).
This did not stop however, the Crown from attempting to usurp Parliament's authority. Thus the Commons frequently found it necessary to restate their claim to the right to control taxation (see Elton 1963, p.68). One of the strongest declarations of Parliament's position was in 1404 when a resolution was passed by Parliament declaring

Anyone collecting subsidies with the aid of letters-patent, tallies or in payment of the King's debts, before granted by Parliament is guilty of Treason (Rolls of Parliament III.568, Cited in Einzig 1959, p.48)

Parliament was very careful how and to what degree it granted financial assistance to the Executive not solely because of its distrust of the Executive but also because it knew that once the money had been appropriated to the uses sought by the Executive Parliament's ability to interfere and control became fettered (Phillips and Jackson 1978, pp. 14, 31-32). The appropriation procedure therefore assumed importance in an inverse manner to the level of Parliament's administrative control, especially prior to the 19th century in an environment of underdeveloped and inadequate government accounting.

3. Westminster Government is based on the separation of powers between the legislature, the executive and the judiciary. While the legislature and executive have different areas of authority the executive is still responsible i.e. answerable, to the legislature which in turn is ultimately answerable to the electorate. There is thus not a strict separation of powers. Cabinet members are also members of the legislature. The Lord Chancellor, as head of the Judiciary and a Cabinet member, moves between all three arms of government. (Phillips and Jackson 1978, pp. 31-32).
4.3 **THE MECHANISM OF APPROPRIATION**

Parliamentary financial control of approved executive programmes was limited to review and criticism as long as executive policies conformed with law. Parliament could prod and interrogate both prior to spending and immediately after when and if accounts

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4. For a detailed exposition of Parliamentary Appropriation see the *Select Committee on Public Monies 1857*, second session Appendix 1. Briefly and in general, appropriation in the 19th century involved the following in the British Army:

1. The Secretary of State for War, in concert with the Commander-in-Chief, the minister's prime adviser, decided on the size of the army.
2. Estimates were framed with the assistance of all departments in the War Office.
3. The estimates were passed to the War Office Finance Department for consolidation and refinement.
4. The detailed estimates were then given to the Secretary of State for War.
5. Unlike estimates of other departments those of the Army were usually presented in Parliament by the Minister and not the Chancellor of the Exchequer.
6. The House would study the estimates, although usually this was a most cursory exercise.
7. Supply to the Army was voted, supply being tied to purposes by Appropriation Acts.
8. The Treasury was authorised to issue money at its own discretion.
9. Authorities to issue money were scrutinised by the Treasury which compared the authorities against Parliamentary grants.
10. The Bank of England received notice to transfer credits from the Consolidated Fund to Paymaster accounts.
11. The Account-General issued warrants for the Paymasters to draw money.
were laid before Parliament. Control over expenditure by the legislature after revenue had been raised was therefore bounded, and "necessarily and properly so" argued Durell, for administration is the exclusive constitutional prerogative of the Executive (1917, p.19). Any legislative interference while ever the executive acted in accordance with its approved programme was not only unjustifiable, considered Durell, but also harmful (1917, p.20); harmful to the separation of powers and responsibilities of the Executive and Legislature (see also Mill, Representative Government, Chapter 5).

Through the mechanism of appropriation Parliament was guaranteed the opportunity to review proposed expenditures of the Executive. The Revolution, Sir James Mackintosh reminded the Commons, ushered in a new system in the history of finance, for it was not until then that the system was established of appropriating all parliamentary grants, by the authority of Parliament, to services previously approved by Parliament, which gave reality and energy to all the constitutional principles respecting the power of the purse, created a constant and irresistible control over the public purse in this House... (Quoted in Clode Vol.I 1869, p.95).

Parliament took the "right of appropriation as the immediate and logical consequence of the right of levying supplies" ("Select

5. The production of annual accounts only became general practice for all government departments after the Exchequer and Audit Departments Act (1866) became fully operational in 1870 for the year 1868-69.

6. The first recorded instance of appropriation by Parliament was in 1353 for military purposes. Use of appropriation procedures by Parliament continued to be spasmodic until systematised after the revolution of 1688 (Chubb 1952, pp.7-8).
Committee on Public Monies" 1857, p. 563). Grants of supply would only be forthcoming when the legislature was sufficiently convinced of the desirability of the expenditures proposed by the executive and as detailed in departmental estimates or budgets.7 This principle was confirmed in the Exchequer and Audit Departments Act of 1866 (hereafter the 1866 Audit Act) which stipulated that "Ways and Means shall have been granted by Parliament" (section 15). This was to be a final say, nothing could be done by outside agencies to alter or enlarge sums agreed to by Parliament without Parliamentary permission (see the Statement by the House of Commons in Clode Vol.I, 1869, p. 119, Phillips and Jackson 1978, p. 27)8. From the 1688 Revolution to at least the 19th century the primary goal of the process of Parliamentary approval was to satisfy Parliament that the army raised by the Crown (under the annual Mutiny Acts) did not exceed the judicious level approved by Parliament (Einzig 1959, p. 143). Indeed, concluded Lord Welby, "the great financial charge made at the Revolution related to the charge of the Navy and Army" ("Select Committee on National Expenditure", 1902 Appendix 13, p. 228).

7. The purpose of budgets, argued the Chancellor of the Exchequer in 1857, was to satisfy Commons that the public income to be raised in the year will be sufficient, and no more than sufficient to meet the expenditure for which the Government proposes to incur during the year ... ("Memorandum of Financial Control", Select Committee on Public Monies 1857, second session Appendix I, p. 519).

8. Dicey stated that "no person or body is recognised by the law of England as having the right to override or set aside the legislation of Parliament" (quoted in Phillips and Jackson 1978, p. 51).
Financial control of the army by the Commons in the first place by means of the appropriation of money on the basis of detailed departmental estimates and in a framework of legal, policy and instructional constraints utilised the 'fund' as its centrepiece. A fund, or sum of money set aside for a particular purpose, proved to be best adapted to the immense and diverse range of activities conducted by the government and the perplexing array of legal requirements governing these activities. Funds for military purposes did however, differ in one substantial feature from those for civil uses (see James 1950, p.307). Movement of money between army funds or votes, technically known as virement, was permitted in the period of this study by the Appropriation Act of 1846 (9&10 VICT.C.116, s.24) and section 4 of the subsequent Appropriation Acts9 (see evidence before the Select Committee on Army Estimates 1888, Fourth Report, Questions 5380-5388, 5416). The onus was on the army however, to show that virement was "indispensably necessary" in that injury would be sustained to the Public Service "if the same were delayed until provision could be made for it by Parliament in the usual course" (Appropriation Act 1846, s.24; Evidence before the Select Committee on Army Estimates 1888, Fourth Report, Question 5237). Virement was not allowed with civil votes.

Because virement represented a diminution of Parliamentary control it was strictly hedged in by controls: the Treasury was the only body empowered to authorise virement and retrospective approval could only be given if the Treasury had been informed in writing

9. For example see Section 4 of the 1887 Appropriation Act as reproduced in the Fourth Report of the Select Committee on Army Estimates 1888, pp. ix. Also question 5380 of evidence before the Select Committee on Army Estimates.
when the need for the transfer of money between Votes was detected and before the actual transfer (Treasury Minute 13 January 1846 as quoted in the "Extract of the Sixth Report of the Committee of Inquiry into the System of Account and Audit in the Ordnance Department", British Parliamentary Papers 1846, p. 539). Appropriation of public money to military purposes was by way of two grants composed of several votes or divisions. Up to 1856-57 virement was allowed only between votes within the one grant. In 1858 however, virement between votes in different grants became permissible (See the "First Report of the Public Accounts Committee", British Parliamentary Papers 1873 Vol.VI, p.5). Not until 1856, despite the recommendations of the 1849 Committee into Army and Ordnance Expenditure, was an additional clause inserted in the Appropriation Act which made it mandatory that any virement authorised by the Treasury be presented before Parliament. Parliamentary scrutiny and control of virement in military votes was further tightened in 1862, upon the recommendation of the Public Accounts Committee, when the Treasury was no longer authorised to "signify Her Majesty's Pleasure" as the final authority in virement. Any approval granted by the Treasury was now only a preliminary step to ultimate Parliamentary sanction (Public Accounts Committee
1862; Treasury Minute 27th January 1863; see also Public Accounts Committee 1878-79 Appendix, p.143). Finally, the Monk Resolution of 4th March 1879 required Treasury to present to the House of Commons details of any virements within three weeks of the exercise of such Treasury powers ("Memorandum of the Auditor General on the Fiftieth Anniversary of the Exchequer and Audit Departments Act, 1916, Vol.17, p.147). The rigidity and close scrutiny of virement regulations demonstrated that Parliament took its powers of financial supervision very seriously (see the rigour of the questioning over the Major Watkin case of virement in Evidence before the Select Committee on Army Estimates 1888, Fourth Report, Questions 5192 to 5594).

10. "The 26th Clause of the Appropriation Act (1862) does not confer on this Board the power, which was granted by a similar clause in former Appropriation Acts from 1846 to 1861, of finally appropriating surpluses on some grants to cover deficiencies on others within the same department; but it merely empowers the Treasury to authorise the temporary use of surpluses to meet deficiencies, in order that such proceedings may be submitted for the sanction of Parliament ..." ("Copy of any Minute issued by the Treasury with the object of giving effect to the Recommendations of the Committee of Public Accounts ... as well as to the Requirements of the Appropriation Act 25 & 26 Vict. c. 71, s. 26", British Parliamentary Papers, Vol. 29, 1863, p. 173).

11. The Monk Resolution stipulated that "it is desirable that a statement of every case (of virement) ... in which the Naval and Military Departments have obtained the sanction of the Commissioners of Her Majesty's Treasury to the application of an actual or anticipated surplus on one Vote to meet a deficiency on another Vote within the financial year, be laid upon the Table of the House within three weeks after such sanction shall be given ..." (Select Committee on Army Estimates 1888, Fourth Report, Question 5441).

12. For an example of a Treasury Minute informing Parliament of Virement for the army see Evidence before the Select Committee in Army Estimates 1888, Fourth Report, Question 5440.
Increased concern over virement procedures in the 19th century indicated virement between army votes did not reflect a decline in Parliamentary regard for financial surveillance. Virement rather, recognised the peculiar nature of the army in comparison with civil departments. The British Army had tentacles which extended to many parts of the world which consequently made the task of framing up-to-date, accurate and detailed estimates very difficult. In addition most armies experience at times unexpected and sometimes unpredictable periods of intense and violent activity. These incidents invariably call for additional expenditures which, if avoided or postponed until Parliamentary approval is obtained may, in the circumstances, prove contrary to the public good by prejudicing the army's performance (see the Public Accounts Committee 1862, p.209). Procrastination without penalty is not normally an option available to an army confronted with a problem that demands immediate attention and solution. Delay possibly means lost advantage and a withering of the opportunity for success (see The Contemporary Review December 1886, p. 775).

Virement was attractive to Parliament in the case of the army because it had the potential to be instrumental in the furtherance of economy. The prospect of being able to transfer excess money between votes to meet shortages partly allayed military fears of insufficient money and was therefore expected to moderate demands for money, via the estimates, which might otherwise have been

13. For the further details of the difficulties involved in framing army estimates see Field-Marshall Lord Roberts' evidence before the Brodrick Committee 1898, Questions 163, 164, p. 164; also see Clode Vol. I 1869, p. 188.
excessive to cover unforeseeable contingencies. Meanwhile the army saw virement as consistent with the administration of military affairs through the War Office: transfers between votes, unlike civil departments, were still transfers within the same service (Evidence before the Select Committee on Army Estimates 1888, Fourth Report, Question 5389). The Comptroller and Auditor-General argued that when movement of surplus money between votes was contemplated by the Appropriation Act of 1846 (and subsequent Appropriation Acts) the reference was to surpluses genuinely derived from savings and not artificially generated by the postponement of expenditure. The Public Accounts Committee, especially that of 1878-79, disagreed with the judgement of the Comptroller and Auditor-General and instead saw a surplus from either cause as transferable if postponement of expenditure would mean savings by paying one bill now and the other later (Public Accounts Committee 1878-79, second report p.75, para.78).

Conditions that regulated virement for the army were designed to ensure virement was never taken to extremes. To unleash erratic virement would have effectively meant not merely the erosion but the destruction of Parliament's ability to sanction and thus to control army finance. The actions of James II were not to be forgotten. Appropriation using what were normally 'watertight compartments', or votes, helped to ensure that appropriations were directed to their authorised uses while the progressive breakdown of army votes in the 18th and 19th centuries into smaller and smaller subdivisions, or headings, further enhanced Parliament's supervision. More headings

14. This was all very nice in theory but more frequently proved to be only wishful thinking in practice (see Section 5.2).
enabled a finer and much closer scrutiny of proposed and actual expenditures and reduced the spending discretion of departments which otherwise would have undermined and circumvented the intrusion of Parliament.

Important as votes were to Parliamentary control of spending, up to the mid-19th century there was no reliable means at Parliament's disposal for ensuring spending in any one year had not exceeded the total amount appropriated. Nor could Parliament be certain that spending had followed the pattern as embodied in the votes. This situation improved markedly however, throughout the latter half of the 19th century as the following section examines.

4.4 ACCOUNTS AND AUDIT

Parliamentary control of finance is greatly enhanced by the use of audits, a right which the Commons declared for itself immediately after the 1688 Revolution as "a necessary dependence of this right of giving money and granting aids" (Conference in 1691 with the House of Lords, Cited in Clode 1869, Vol.I, p.112). Commons was however, slow in putting this right into practice, even in the case of the army, being content to exercise control over military spending through The Appropriation Act and discussion of the estimates. Parliament appeared to regard these "securities

15. Treasury controlled the issue of money as provided for by Parliament. The army, as shown later, could circumvent limitations on money in any one year by ordering material this period and paying the following period. With cash accounting as used in government accounts accruals would go unnoticed.

16. The first Audit Acts passed after 1689 were 2 William and Mary (session 2), C.11 and 7 and 8 William III, C.8 (Clode 1869, Vol. I, p. 133).
sufficient ... (and) dispensed with all further inquiry or control"
("Extract from the Sixth Report of the Committee of Inquiry into the
System of Account and Audit in the Ordnance Department" 1846, p.
519; See also the "Memorandum of the Auditor General on the
Fiftieth Anniversary of the Exchequer and Audit Departments Act
1916", p.144, paragraph 1; Campbell 1965, p.141). This meant that
in the absence of careful, regular and authoritative scrutiny of
accounts, however poor they may be, their usefulness for control is
impaired for, argued Durell, effective control rests primarily on
the ability of Parliament to see that "its will is carried out"
(1917, p.10). According to Durell this aspect of control far exceeds
in importance

constitutional and parliamentary procedure and practice
... in the sense that strictness of granting would be
rendered nugatory by laxity or deficiency in accounting
... whereas strictness in accounting would greatly
mitigate the drawbacks of laxity in granting (1917, p.10;
see also Einzig 1959, p.86).

It is axiomatic that all public officials to whom public money
or property is given in trust be always liable to explain their
actions (see the Lawrence Committee 1924, p.720). Public servants,
no matter their avenue of occupation, are accountable;¹⁷ they can
be required to justify the way they discharged their
responsibilities (see Pritchard 1910, pp.29, 119, 125).
Responsibility in the last resort must reside and be known to reside
in specific individuals for

¹⁷. As already discussed at some length, accountability for the
army was more than just concerned with checks on money flows
but rather it was a check on the power these flows potentially
afforded the army.
responsibility is null and void when nobody knows who is responsible. Nor even when real, can it be divided without being weakened. To maintain it at its highest, there must be one person who receives the whole praise of what is well done, the whole blame for what is ill (Mill 1861, p. 242; see also the Public Accounts Committee 1867, p. 96; Normanton 1966, p.66).

Audit of departmental accounts by an external and independent body would therefore appear to be important for effective supervision of responsibilities.

A reliable audit of spending presupposes an established and accurate system of recording expenditure. However, financial control by the British Parliament which incorporated a well developed system of accounts and accounting was a phenomena of the second half of the 19th century (see Gordon 1935, pp.233-234; Lord Welby's comments in his evidence before the "National Expenditure Committee" 1902). Throughout the 18th century and early 19th century the paucity of government accounts served, amongst other things, to dilute Parliament's financial control, not that it went unrecognised by Parliament which frequently raged against its seeming impotence and ignorance (See the "Royal Commission into Government Accounts" 1829, p. 88; Einzig 1959, p. 172; "Second Report from the Select Committee on Finance", 1817, pp. 381-408).

18. It was not until 1879 that compulsory audit for limited liability companies was introduced into the UK Companies Act.

19. The prevailing view, as expressed by an anonymous 18th century contemporary, seemed to regard demand for accounts as an act of bad manners and an unnecessary interference. "Could ministers carry on the business of the public if any gentleman in this House had a right to call for such an account? It would be impossible, ... the public service can never be advanced by calling for accounts which destroy your confidence in them". (quoted in Roseveare 1969, p. 91).
It is the purpose of the next section to follow the development of government auditing in the 19th century as it related to the structure of financial control of the army. Most important in the development of the audit of military accounts on behalf of Parliament were the 1846 Audit Act and the 1866 Audit Act.

4.4.1 The Evolution of Military Audit in the 19th Century

The Government in 1785 recognised in appointing 'Commissioners for Auditing the Public Accounts' from the ranks of the Treasury the inadequacy of the then present financial control procedures and the importance of accounts in the cycle of financial control (An Act for Better Examining and Auditing the Public Accounts, 1785, 25 Geo.III, c.52). Initially this body, which was concerned primarily with "ascertaining that ... payments were made (by the Exchequer) under proper authorities", reported solely to the Treasury and not to Parliament. According to the Select Committee on Finance in 1817 an audit along these lines was deficient largely because: "An examination of Public Accounts by Officers ... entirely dependent upon the Treasury ... (and avoiding Parliament) could at no time be considered as constituting an efficient check on the irregularities of Public Expenditures" ("Second Report from the Select Committee on Finance", 1817, p. 383). If the Treasury acted upon any recommendation it would be doing so in its own cause because, after

20. For a very detailed background to the 1785 Act, in particular dissatisfaction with the state of public audit, see the Second Report from the Select Committee on Finance 1817, pp. 383-387. The 1785 Act was subsequently revised by 45 Geo. III c. 91 and 46 Geo. III c. 141.

21. For details of the audit performed see the "Report of the Commissioners Appointed to Inquire into the Mode of Keeping the Official Accounts" 1829, p. 343; Also "Select Committee on Public Accounts" 1830-31, p. 209-217.
all, the Treasury had originally been responsible for the issue of money through the Exchequer (Howick Commission 1837, Appendix G, Memorandum from the Audit Board, p. 95; see the recommendation of the Treasury in the Treasury Minute, February 15, 1858, in the "Report of the Select Committee on Public Moneys", 1857-58, p.385, Section VI, clause 26). Therefore, the 1817 Select Committee on Finance urged the establishment of an audit section which was "immediately responsible to Parliament" (p. 398). This recommendation remained dormant for another fifty years.

Some improvement in Parliamentary surveillance had occurred when, in 1802, annual Finance Accounts were introduced which had to be laid before Parliament. These accounts, however, continued to show only the money issued by the Exchequer as Parliament's 'Paymaster'. There was no indication that the money was used as intended by Parliament, nor until 1841 any sure check on the total amount spent (Evidence before the "Select Committee for Army and Ordnance Expenditure", Vol. IX 1849, Question 8603, W.G. Anderson, Army Audit Office). Parliamentary financial control therefore continued to be far from perfect. Lord Welby, Permanent Secretary to the Treasury in the late 19th century, in his evidence before the 1902 "Select Committee on National Expenditure" referred to Parliament in the early 19th century being under the "illusion that it could control expenditure by putting checks on the issue of money from the Exchequer instead of ascertaining how the money had been spent" (Appendix 13, p. 230).
Not until 1832 with the audit of Navy accounts was a start made in the audit of government accounts from the point of ascertaining that money had been spent as intended by Parliament in the various votes. Thus audit of the total amounts spent was superseded by audit of the categories of expenditure i.e. votes. After the Navy, Army accounts in 1846 were amongst the earliest government accounts to be audited externally and directly for Parliament on a vote by vote basis when Parliament passed An Act to provide for the Preparation, Audit and Presentation to Parliament of annual Accounts of the Receipt and Expenditure of the Naval and Military Departments (9 & 10 Victoria C.92, 1846), hereafter the

22. Audit of navy accounts on a yearly basis by an external body answerable to Parliament was initiated in 1832. The First Lord of the Admiralty, Sir James Graham, sponsored a Bill (later the Act, 282 Will, Ch. 40) authorising the Commissioners of Audit to undertake an annual audit. "I propose", he concluded, "to convert a nominal into a real responsibility on the part of the Admiralty and a nominal into a real and efficient control on the part of the House of Commons" (Quoted in Robinson 1924, p.143). Sir James had been prompted by the frequency with which navy funds were "applied to other purposes than those specified in the Appropriation Act" (Evidence of Sir John Barrow before the Howick Commission 1837, p. 17). The Navy was required to present annual accounts showing actual expenditure listed under votes as defined in the Appropriation Act. The Commissioner of Audit compared the accounts with vouchers and then laid the accounts before the House. For the history of navy audit see the "Extract from the Sixth Report of the Committee of Inquiry into the System of Account and Audit in the Ordnance Department", British Parliamentary Papers, Vol. XXVI, 1846, pp. 520-521.

23. A formal recommendation for an independent audit in military accounts had been made by the Treasury in 1840 (Treasury Minute 27 November 1840, "A Statement of the Changes in ... Bookkeeping since ... 1832", Appendix 27, p. 732 British Parliamentary Papers Vol. 32, 1844).

24. See Appendix 2 for a copy of the Act.
1846 Audit Act. Prior to 1846 and since 1703 audit of army accounts had continuously been supervised for the army by Comptrollers of the Treasury within the Army's finance section but with the object of checking that departmental financial procedures had been followed, all expenditures were correctly authorised and that total spending had not exceeded the total amount appropriated by Parliament and as issued by the Exchequer (see Clode Vol.I, 1868, pp.190-193; also see Clode Vol.II, pp.668-669 for a copy of the Letters Patent establishing the office of Comptroller of Army Accounts in the Treasury and the duties of the Comptrollers; Also the Howick Commission 1837, Appendix 28, pp. 185-188). After the introduction of the provisions of the 1846 Audit Act the army was informed by the Treasury that the present departmental audit would continue to be conducted by and on the responsibility of each department; but now also there will be a higher and more general description of Audit, the object of which is to ascertain and report whether grants of Parliament have been duly applied to the purposes to which they have been appropriated by the Annual Appropriation Act (Treasury Minute 13 January 1846, "Extract of the Sixth Report of the Committee of Inquiry into the System of Account and Audit in the Ordnance Department", 1846; Also the Baring Committee, 1856 as referred to by Lord Welby, Appendix 13 to "Report of the Select Committee on National Expenditure", British Parliamentary Papers, Vol. VII, 1902, p. 229).

Despite the improvement made to Parliamentary surveillance of categories of military expenditure, initially the accounts required by the 1846 Audit Act "did not attract much notice" outside the army (Lord Welby, Appendix 13 to the Report of the Select Committee on National Expenditure 1902, p. 229). By 1866 however, discontent with government accounts reached the point where there was widespread support for the audit of all departmental accounts
similar to that of the army and navy. Largely because of Gladstone, in 1866 the 1846 Audit Act for the audit of army accounts (and navy accounts) was repealed and most of its principal clauses subsumed by the 1866 Exchequer and Audit Departments Act\textsuperscript{25} (29 & 30 Victoria C. 39) which also amalgamated the offices of Comptroller General of the Exchequer and the Board of Audit (see Lord Welby's Comments, "Select Committee on National Expenditure 1902, Appendix 13, p. 230).\textsuperscript{26} The full weight of the 1866 Audit Act, which the Treasury stated ushered in a "revolution in public accounts"\textsuperscript{27} (Treasury Minute 20 March 1876, cited in the "Report of the Public Accounts Committee" 1876, p.140) was not felt in army accounting until 1876 after the audit of other government departments under the Act had been firmly

\textsuperscript{25} See Schedule C of the Exchequer and Audit Departments Act (1866). A copy of the Act appears in Appendix 1.

\textsuperscript{26} Provisions of the 1866 Audit Act not only owed their existence to the 1846 Audit Act but also to the recommendations of the Public Moneys Committee of 1857 (Correspondence Concerning The Exchequer and Audit Departments Act 1866, Sir William Dunbar, Comptroller General to the Treasury 14 December 1866, p. 16).

\textsuperscript{27} Not until the passing the 1866 Audit Act, judged Gladstone, could it "be fairly said that the office of the House as the real authoritative Steward of public moneys had been discharged" (cited in Einzig 1959, p.233). For a contradictory view on the importance of the 1866 Audit Act see Trevelyan 1960, p.183). The 1866 Audit Act also gave the Treasury, for the first time, statutory control as opposed to a de facto control over expenditure. The Act effectively brought all Government department accounts within Parliament's direct gaze.
established and audit procedures and principles in the context of the army had been thoroughly revised (see the "First Report of the Public Accounts Committee", British Parliamentary Papers 1874, Vol.VI, Question 1432, p.129; "Third Report of the Public Accounts Committee", British Parliamentary Papers 1875, Vol.VIII, p.122 paragraph 9). This delay in the application of the 1866 Audit Act to the military reflected the already advanced nature of army audits as compared to other government departments. Consequently, it was more important to establish the provisions of the 1866 Audit Act in other departments first. Army auditing followed substantially the provisions of the 1866 Audit Act anyway, the 1846 Audit Act being the model for the 1866 Audit Act.

The 1866 Audit Act required all government departments to render to Parliament detailed accounts that had been certified by an 'accounting officer' within that department (section 35).

28. On the 16 January 1873 an Order in Council was issued which established formal accounting requirements for all departments (Public Accounts Committee 1873, First Report Appendix I). The year previous to 1873 saw the appointment of two Treasury Officers of Accounts to replace the Public Accounts Commissioners appointed with the 1866 Audit Act. The Senior Officer was a member of the Treasury. Unlike the Senior Officer who was appointed primarily on administrative ability the Junior Treasury Officer of Accounts was required to have a thorough knowledge of accounts and to maintain constant contact with government departments. Both were to ensure a high degree of conformity between accounts over government departments("Memorandum of the Comptroller and Auditor General on the Fiftieth Anniversary of the Exchequer and Audit Departments Act" 1916, p.145).

29. 1868-69 was the first year the 1866 Audit Act was fully complied with. That year marked "the commencement of a new era in our financial history" ("Report of the Public Accounts Committee", British Parliamentary Papers 1870, Vol.X, p.3).
addition, as Parliament’s representative, the newly created Comptroller and Auditor-General was responsible for the inspection of all prepared accounts once they had left the accounting officer, after 1872 the permanent non-political Head of a department (Treasury Minute 14th August 1872). The Accounting Officer was not an accountant but rather the 'accounting' in his title referred to his duty to answer to Parliament (Memorandum of the Comptroller and Auditor-General on the Fiftieth Anniversary of the Exchequer and Audit Departments Act 1916, p.145).

The audit of army accounts as laid down in the 1866 Audit Act was, like that established in the 1846 Audit Act, still only an appropriation audit; the means by which Parliament could verify whether money had been used as intended by Parliament and that the annual votes had not been exceeded (evidence before the "Select Committee on Army and Ordnance Expenditure", Vol. IX, 1849, Question 8611, to W.G. Anderson, Army Audit Office). The audit the Comptroller and Auditor-General and his department were authorised to conduct was of bookkeeping accuracy, appropriation and authority; that is regularity and legality (1866 Audit Act, Sections 21, 25-27, 29-30; see also Treasury Minute 20 March 1876 as reproduced in the "Report of the Public Accounts Committee", British Parliamentary Papers 1876, Vol.VIII, p.140; Evidence before the Strathnairn Committee 1867, Question 2063, p.135. See also earlier work in the Treasury Minute of February 15, 1858 on the "Report of the Select

30. Prior to 1872 there was no uniform system of appointing Accounting Officers. Not until the Public Accounts Committee in its Second Report of 1872 emphasised the desirability of a system of appointment common to all departments was the Permanent Head the nominated Accounting Officer ("Memorandum of the Comptroller and Auditor-General on the Fiftieth Anniversary of the Exchequer and Audit Departments Act" 1916, p.145).
Committee on Public Moneys", 1857-58, p.385, Section VI, Clause 26; Explanatory notes and queries in the audit of military accounts by the Treasury and Commissioners of Audit, "Accounts and Papers: Army, Navy, Ordnance", British Parliamentary Papers 1847-8, Vol.XLI, p.1). There was no provision in the Act to disentangle considerations of economy and efficiency from the purely formal and prime objects of regularity and legality.31

When army accounts in 1876 came under the provisions of the 1866 Audit Act32 the Treasury again took the opportunity to emphasise the appropriation nature of the audit required by the 1866 Audit Act for audit by the Comptroller and Auditor General would be limited to seeing that a stated sum has been expended, and he receives the explanation ... of the Department that it has been expended on a certain subject. He satisfies himself that Parliament has provided money for that object, and that this particular sum has been charged to the Vote in which such a provision has been made ... as set forth in the Estimates laid before Parliament (Treasury Minute of 20 March 1876, in the "Report of the Public Accounts Committee", British Parliamentary Papers 1876, Vol.VIII, p.141).

31. This did not stop the Comptroller and Auditor-General extending what he perceived as his mandate. In this he always had as a powerful ally the Public Accounts Committee which considered "it is open to him ... to state his opinion to Parliament on any points which he may think necessary ... in his Report upon the Army Appropriation Account" ("Public Accounts Committee", British Parliamentary Papers, 1877, 1st Report, p.15, para. 100).

32. For details regarding dissatisfaction with the audit under the 1846 Audit Act see the "Report of the Public Accounts Committee", British Parliamentary Papers 1876, Vol.VIII, pp.140-141.
Another thing the 1866 Audit Act did not change was the detail covered by the audit. The audit affected in army accounts in 1876 by the 1866 Audit Act was not an item by item audit but rather continued the policy of a test audit followed previously by the Board of Audit. Test auditing had been provided for by section 29 and Schedule B of the 1866 Audit Act. The 1866 Audit Act had stated that any Departments placed in Schedule B of the Act would be exempt from a detailed audit by the Comptroller and Auditor-General. The Comptroller and Auditor-General could accept the accounts of departments in Schedule B (the defence departments) on the evidence of departmental examination. The Treasury was therefore content to allow the Comptroller and Auditor-General to base his investigations on the evidence of the Departmental Examining Officer ... and upon the faith of that evidence he certifies that the money has been expended upon the services for which Parliament voted it (Cited in the "Report of the Public Accounts Committee", British Parliamentary Papers, 1876, Vol. VIII, p.141).

The overwhelming number of transactions conducted by the army, as with most government departments, made anything but a test audit by the Comptroller and Auditor-General out of the question. Investigations by the Treasury in 1876 revealed that a detailed audit would entail an outlay of £40,000 annually, double the cost of a test audit. In addition to the added expense of anything but a test audit, a detailed audit of army accounts by the Comptroller and Auditor General was regarded as superfluous. The War Office already conducted a 12.5% test audit when the audit of the Comptroller and

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33. Even a 12.5% audit was later considered too burdensome by the Broderick Committee which recommended a 5% audit of accounts (1898, p. 131). This recommendation was not approved by the Secretary of State for War.
Auditor-General was added in 1876 (Treasury Minute 20 March 1876, reproduced in the "Report of the Public Accounts Committee", British Parliamentary Papers, Vol. VIII, 1876, p. 142). The Comptroller and Auditor-General could select any items, votes or sub votes to audit. He was expected however, to cover all votes over a number of years, usually around six years ("Memorandum of the Auditor-Generals on the Fiftieth Anniversary of the Exchequer and Audit Department Act 1916", p.146; Also the Treasury Minute 20 March 1876, reproduced in the "Report of the Public Accounts Committee", British Parliamentary Papers 1876, Vol.VIII, p.142).

Reliance on the War Office's enquiries did not undermine the vigilance of Parliament or the Comptroller and Auditor-General for, reassured the Treasury, the Accounts Branch of the Finance Department in the War Office was completely separate from the spending departments. Accordingly, the Accounts Branch (which was completely civilian manned) had "no interest or voice in the expenditure" (cited in the "Report of the Public Accounts Committee", British Parliamentary Papers, Vol. VIII 1876, p.141). The Public Accounts Committee was especially disinclined to recommend a detailed audit because anything but a test audit would, with

the inquiries instituted by this numerous staff suddenly installed in the War Office ... hardly fail to impede the current business of the departments, and the result would engender a spirit of opposition to the audit staff (1876, p.142).

Thus, subsequent to the revision of army auditing in 1876 audit of army accounts was carried out on three levels, for in addition to the central audit by the War Office and that of the Comptroller and Auditor-General there was also the long-standing audit at the local
level by the regimental Paymaster\textsuperscript{34} (See Evidence before the Select Committee on Army Estimates, \textit{British Parliamentary Papers}, Vol. IX, 1888, Fourth Report, Questions 4885 to 4892, p. 74). The audit at the local level and at the War office had the advantage, argued the Accountant-General Sir Ralph Knox in 1898, of encouraging exactitude in accounting and in the performance of duties. The local audit, it was stressed, improved the efficiency of accounting because those in the local office could readily correct any errors which, if detected higher in the chain of audit, could produce volumes of reports and correspondence over what might be essentially trifling details. Queries by the Comptroller and Auditor-General, because of the gravity with which they were regarded and dealt with, would have meant that unless otherwise insignificant errors were dealt with at the local or War Office level an unwarranted degree of publicity would arise (Evidence of Sir Ralph Knox before the Brodrick Committee 1898, Question 878, p.190).

4.4.2 \textbf{Stores Audit}

Restriction of audit to only cash receipts and cash payments is an unduly narrow audit. A truly comprehensive military audit should also encompass stores; "the real expenditure ... is what you issue from your storehouses", wrote Harris in 1911 (p.73; see also Durell 1917, p.209). Nothing in the military was more important and required "more minute looking into" than stores, argued Major-General Balfour (Evidence before the Strathnairn Committee

\textsuperscript{34}. For details of the audit at the regimental paymaster level and subsequent audits see "Evidence before the Select Committee on Army Estimates", 1888, Questions 4960, 6638-6661).
Although the cash account may be in order the stores purchased with the money approved by Parliament may not have been used as intended by Parliament. In addition a surplus on the Appropriation Account may have been obtained by using stores on hand at the beginning of the period while annual spending could be bolstered by exhaustion of current stocks. On the other hand, a department which finds itself with a large surrenderrable cash surplus at the end of the financial year (the end of March for the army) may be tempted, in the absence of a stores audit, to consume this cash surplus in the current period in the purchase of more stores. These stores could then be run down the next period thus inflating the potential expenditures of the department. Although these practices were apparently well known, no attempt seems to have been made prior to the implementation of the provisions of the 1866 Audit Act\textsuperscript{35} to have the value of stores consumed by the army laid before Parliament\textsuperscript{36} (Evidence of Major-General Balfour before the Strathnairn Committee 1867, Question 2445, p.188; "Extract from the Sixth Report of the Committee of Inquiry into the System of Account and Audit in the Ordnance Department", p. 531). This however, was consistent with the exclusive concern throughout all army store accounts for quantities and not the money represented in the stores (see Notes on Cost

\textsuperscript{35} Stores were mentioned in the 1866 Audit Act by way of an oblique reference in section 40.

\textsuperscript{36} It was also widely held that cash and stores audit required not only different expert knowledge but different qualities on the part of the auditor. Thus audit of stores and cash should be conducted by two different divisions of the War Office Audit department (Evidence of Major-General Balfour before the Strathnairn Committee 1867, Question 2449).
Accounting 1918, Section II, paragraph 14; Report of the Farewell Commission 1906, p. 64; Evidence before the Select Committee on Army and Ordnance Expenditure Vol. IX, 1849, Questions 8695, 8710, 8779, J. Trenow, Examiner of Stores).

Consequently, spending levels set by Parliament meant very little if the army had recourse to large stocks on hand (see Durell 1917, p.219). The 1887 Appropriation Act noted with concern how "irregularity in the disposal of public stores is equivalent to an illegal appropriation of public money" (quoted in Durell 1917, p.208). The store requirements of a defence department such as the army are however, peculiar. An army will not always have the time to build up its material needs when an emergency occurs; large stocks are therefore imperative if the army is to be in a state of readiness for combat. Consequently, the issue of stores audit was to become especially important in the 19th century for the British Army with its huge reserves of all nature of material so necessary during war.

As with most 'intrusions' by civilian War Office departments into military affairs,37 audit of stores was widely resented within the army. The Chief Auditor and the Audit Section of the War Office's Finance Department were criticised by the army for being overzealous and prepared to sacrifice the efficiency of the army "merely for the purpose of auditing the accounts" (Evidence of J.C. Caffin before the Strathnairn Committee 1867, Question 2061, p.134). Not until 1878 did the Comptroller and Auditor-General raise, for the first time, the issue of an army stores audit by his department. In the following year the Public Accounts Committee commended an

37. See Chapter 5.
army stores audit but at the same time argued that to introduce another new requirement, as this would be, too closely on the heels of the new audit system inaugurated in 1866, introduced in the army in 1876 (Public Accounts Committee 1876, p.122) and thus still very much at an experimental stage, was too much to expect of the army (Public Accounts Committee 1878-79, 2nd Report p.77, para. 95). 38

Between 1846 and 1866 store accounts of the army were examined by the Board of Audit\(^\text{39}\) which reported directly to the Treasury. The

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39. The Comptrollers of Army Accounts up until 1836 audited army store accounts but reported directly to the Treasury and therefore by-passed the Board of Audit and Parliament (Treasury Minute of 13 March 1835, reproduced in the Report of the Howick Commission 1837, p. 73). Thus, in the early decades of the 19th century cash accounts and store accounts were audited by different bodies; the former by the Commissioners for Auditing the Public Accounts (Audit Board) at Somerset Place and the Comptrollers of Army Accounts responsible for store accounts (Report of the Commissioners appointed to Inquire into the Mode of keeping the Official Accounts, 1829, p. 105, p. 343). The ultimate recipient of audit reports in both cases was the Treasury. The Treasury was however, unhappy with the dual system of audit and recommended in 1835 the return to the system of audit which had operated between 1785 and 1806 when the Comptrollers of Army Accounts were part of the Board of Audit (Treasury Minute 13 March 1835, Report of the Howick Commission 1837, p. 73). The Treasury sought to put an end to the system under which these two sets of accounts (cash and stores), each of which, in a considerable degree, has reference to the transactions exhibited in the other, have hitherto been examined, and finally audited, by different departments (Treasury Minute 13 March 1835).

Amalgamation of the audit function was subsequently carried out by the Treasury Minute of 3 March 1836 (see the evidence before the "Select Committee on Army and Ordnance Expenditure" 1849, Questions 8041 to 8057; "Report of Messrs. Annan, Kirby, Dexter and Co., Chartered Accountants", Appendix to the Report of the "Royal Commission on War Stores in South Africa", Vol.III, p.10, paragraph 47 and p.21 paragraph 105).
Audit Section of the War Office\textsuperscript{40} checked accounts of stores against the stores but usually to demonstrate compliance with regulations. (Sir Ralph Knox\textsuperscript{41} in Evidence before the Brodrick Committee 1898, Question 928, p. 193, also see Questions 933 and 935). It was no part of the work of Stores auditors, or anyone else it appears, "to show the application of stores to the purposes for which they were used" ... (Evidence before the Select Committee on Army and Ordnance Expenditure Vol. IX, 1849, Question 8710, W.G. Anderson, Army Audit Office). Audits of stores were unquestionably carried out in the army for personal protection against the great responsibilities carried by responsible officers and men. Audits continued to fulfill this role while ever store accounts were used mainly to "ensure stores are brought on charge" and "to see that all stores written off are properly vouched" (Sir Ralph Knox in Evidence before the Brodrick Committee 1898, Question 928, p. 193, also see Questions 933 and 935; Also the evidence before the "Select Committee on Army and Ordnance Expenditure" 1849, Question 8056; Garnsey 1924, p.138).

In 1880 and again in 1882 the Comptroller and Auditor-General referred the matter of army stores audit to the Public Accounts Committee (Chubb 1952, p. 51). Finally, relying on the powers conferred upon it by section 40 of the \textit{1866 Audit Act} the Treasury, via a Minute dated 13 November 1884, called upon the War Office to

\textsuperscript{40} In 1866 audit of store accounts within the War Office was transferred from the Military Store Department to the Chief Auditor of Army Accounts (War Office Circular 953 of 2 April 1866).

\textsuperscript{41} Sir Ralph Knox was Under Secretary of State for War in 1897 (See Biddulph 1904, p. 56).
compile an annual account of stocks for the Comptroller and Auditor-General so that the Treasury might judge the efficiency with which store regulations were implemented and carried out (Public Accounts Committee 1884, Second Report as quoted in the Report of the Public Accounts Committee 1938, p.163; also Durell 1917, p.212). Still, not until 1886 did the Treasury require the Comptroller and Auditor-General to carry out a government-wide audit of departmental stores on a regular basis. Even so, recognising the immense problems anything but a test audit would cause, the Treasury directed the Comptroller and Auditor-General to limit his investigations to whether existing regulations which governed stores were satisfactorily followed (Chubb 1952, p.52). Under no circumstances, directed the Treasury Minute of 15 November 1886, was the Comptroller and Auditor-General to interfere in the stock-taking procedures of government departments. The minute made it clear that the Comptroller and Auditor-General's duty was limited to ascertaining the regularity of accounts according to regulations and thereby to ensure officers responsible for stores took their responsibilities seriously:

the department that administers a store service is responsible for the ... stores ... cost, quality and quantity, for their safe custody ... and for their being used for the right objects, so long as they remain within its jurisdiction. The public is not concerned with where the stores are ... (Treasury Minute, 15 November 1886 as reproduced in Durell 1917, p.215).
As if to meet potential opposition to the Stores audit in the army the Comptroller and Auditor-General was careful to emphasise in his reports pursuit of the limited objectives laid down. In his first report of 1889, the Comptroller and Auditor-General established his investigations and reports had only sought to discover whether existing regulations gave sufficient control over the receipt and issue of stores and whether they had been enforced.

4.5 THE IMPACT OF APPROPRIATION AND AUDIT

As already noted in this chapter, appropriation was not without its problems as a form of financial control. Under the system of appropriation which evolved after 1846 the army's administration became locked into an organisational and reporting pattern according to the form and content of the departmental estimates submitted to Parliament each year (see the Lawrence Committee 1924, p.718; Regulations for the Commissariat and Transport Staff 1881, Section 1, subsection III, Paragraphs 46-48). It was on the basis of the divisions or heads in the estimates, as laid down by Parliament, that Parliament appropriated monies for military uses and upon which Parliament after 1846 expected the military administration to report (see the 1846 Audit Act Sections II, VI; 1866 Audit Act Sections 23, 24). From 1846 in the Appropriation Accounts submitted to Parliament actual expenditures were to be matched against grants and differences had to be explained (see 1846 Audit Act Section VI; 1866 Audit Act Sections 26, 27; Evidence of Sir Richard Hamilton before the Ridley Commission 1887, Appendix, p. 425).
To enable the army to meet these requirements the process of categorising expenditures according to votes and vote headings had to commence at the earliest recording of expenditure. This was no more clearly demonstrated than with the Commissariat. When Commissariat Officers entered receipts and issues in their cash books they were to place a number beside each entry which corresponded to the vote under which the issue or receipt was made (see Regulations and Instructions for the Guidance of Officers of the Purveyors Department of the Army 1861, Paragraphs 116, 126, 142). The vouchers pertaining to these entries would be bundled according to the vote numbers as used in the cash book, and the estimates, and then forwarded to that section of the War Office to which the relevant expenditures related. The accounts were then recast into the required Parliamentary form at the War office by the Accountant-General's Department (see Sir Charles Trevelyan's comments on this process in Evidence before the Strathnairn Committee 1867, Question 2679, p.208).

Because votes were to be administered separately within the War Office, separate administrative departments, reflecting the organisation of votes, developed. This produced a fragmentation of administration with the numerous departments, for all practical purposes autonomous of each other and not tied together by a central co-ordinating authority, issuing their own plethora of regulations and operating their own systems of administration (see the "Select Committee into Army and Ordnance Expenditure" 1849, Questions 8789 to 8798, pp.593-594; Public Accounts Committee 1917-18, p. 10).
This departmental organisation within the War Office which was a response to 'political considerations' (Dawkins Committee 1901, p.182) was however, shown both in the Crimean and South African wars to be inconsistent with military efficiency and economy. It was inevitable, concluded the Royal Commission on Civil Establishments (1887) that administration of the army on anything but sound administrative and military lines would be hampered by delays and confusion engendered by the uncertain authority and differing departmental opinions (see the Hartington Commission 1890, Appendix C, p.60; Florence Nightingale as cited in Gordon 1935, p.53; Hume as cited by Sweetman 1971(b), p.121; Evidence of Sir Ralph Knox before the Brodrick Committee 1898, Question 1387, p.212):

A further substantial shortcoming of the mechanism of appropriation and required reporting, from the point of view of assuring an efficient and effective military force, and aiding Parliamentary surveillance of expenditure was the concentration on cash and the emphasis on appropriating to 'subjects' of expenditure. The Appropriation Account in both the 1846 Audit Act and 1866 Audit Act was envisaged as nothing more than a cash account; bookkeeping on a single entry basis for stewardship purposes. Recognition in the body of the Appropriation Accounts of non-cash items was precluded by both Audit Acts (1846 Audit Act, Section III; 1866 Audit Act, Section 24). The Audit Act of 1866 reaffirmed the exclusiveness of the Appropriation Accounts, although permitting non-cash information to be appended in notes to the Accounts. Section 25 of the 1866 Audit Act empowered the Comptroller and Auditor-General to demand from government departments balance sheets
or statements showing "the actual Disposition of the Balances appearing on the annual Appropriation Account".

Parliament was very guarded in the 19th century (and earlier) in the use of accrual accounting. Parliamentary finance committees were therefore determined to pursue very closely the wishes of Parliament. For example, in 1873 the Public Accounts Committee judged the disallowance by the Comptroller and Auditor-General of £9,538 for stores not delivered as "in accordance with practice"; the Comptroller and Auditor-General had every right to treat the stores as "imprests, and not final payments" ... (Parliamentary Papers 1873, Vol. VI, p.5 of the First Report). Exceptions that were in the public interest were however, recognised ("Public Accounts Committee", British Parliamentary Papers, 1874, Vol. VI, First Report, p.18).

Accrual accounting was attributed, by Parliament, with the ability to obscure Parliament's superintendence of government expenditure ("Report of the Commissioners Appointed to Inquire into and to State the Mode of keeping the Official Accounts" British Parliamentary papers. 1829 (290) VI, p. 89; See Durell 1917, p.400; Hewgill 1980, p.3). It was apparent to Parliament that accrual accounting introduced what was regarded as unnecessary complication and increased the opportunities for malversation in public finance. Cash accounts on the other hand, had the virtue of simplicity which was widely held to be of
great importance for the security of the public; it assists punctuality, and it prevents also the hiding out of any improper payment; misdirection or misappropriation of money is much more easy under a complex system, under which the accounts are continually in arrear (Evidence of Sir William Power before the Strathnairn Committee 1867, Question 2673, p.208).

Cash accounts were "in a form", remarked Sir Charles Trevelyan, "which permits no mystification or disguise" (Evidence before the Strathnairn Committee 1867, Question 2684, p.209). Parliament failed to see that accounts constructed on accrual accounting principles would in fact give a clearer picture of military spending. As previously shown, the military could easily overcome cash shortages towards the end of any financial year, and thereby exceed Parliamentary appropriations, by ordering material to be paid for out of next year's appropriations. Accounts disclosing cash items only would miss this information.

Appropriation, and therefore accounting, was directed towards major headings of expenditure or subjects such as supplies and salaries, as stipulated by 9 & 10 Vict. C.92. Such a system was entirely consistent with concern primarily for financial accountability although not with efficient, economical and effective administration (see Evidence of Sir Ralph Knox, Accountant General, before the "Select Committee on Army and Navy Estimates".

42. Contemporary opinion on the preferability of cash accounting in government was far from unanimous, least of all amongst the Government and Parliament's own Committees. The Select Committee on Public Monies (1857) rejected outright cash accounting in favour of the universal adoption in government accounts of a commercial system of accounts i.e. accrual accounting (p.499 of the Report; see also Murray 1862; Treasury Minute, February 15, 1858; Select Committee on Army and Ordnance Expenditure 1849, Questions 8593, 8032, 8033, 8076, 8565-8611; Sir Charles Harris' Evidence before the Select Committee on National Expenditure 1908; Grimwood 1919, p.114).
Knowledgeable witnesses before the Select Committee on Army and Ordnance Expenditure in 1849 roundly condemned accounts for being organised under Estimate headings and therefore for being oblivious to the efficient use of money granted by Parliament (Question 8638, W.G. Anderson, Audit Office). According to Sir Charles Harris this could only be achieved by appropriating to 'objects' or purposes ("Evidence before the Select Committee on National Expenditure" 1908; Hewgill 1980, pp.5-6; see also Grimwood 1919, p.114).

Accounts formulated on an 'object' basis had the ability to tease out and analyse departmental functions, results and costs; something not possible nor sought under the traditional 'subject' mode of appropriation accounting (see the Evidence of Sir Ralph Knox before the Select Committee on Army and Navy Expenditure, 1887, First Report, Questions 34 and 1134; Harris 1911, p.64; Grosland, Director of Army Finance, Notes on Cost Accounting 1918, p.8; Pritchard 1910, pp.28-29). Accordingly, the Accounts Branch at the War Office took little interest in military expenditure apart from a thorough examination of the legality and regularity of expenditures (Evidence of Sir Ralph Knox before the "Select Committee on Army and Navy Estimates" 1887, First Report, Question 31, p.12; Evidence of Sir Ralph Knox before the Brodrick Committee 1898, Question 1355, p.211; Evidence of Sir Charles Harris before the Public Accounts Committee 1918, p.173). Certainly it did not interfere in the administration of votes within military departments ("Evidence before the Select Committee on Army and Navy Expenditure" 1887, Questions 426, p.39 and 428, p.40).
Another weakness of accounts and estimates based on subjects of expenditure was the difficulty of ascertaining the total cost of particular government services, for example the cost of mounting military manoeuvres. Instead of the salaries, cost of supplies etc. required for a military manoeuvre being accumulated; the costs would remain part of the total for all salaries for the army and contribute towards the total supply cost for a year. As Chairman of the Army and Navy Estimates Committee in 1887 Lord Randolph Churchill asked the Accountant-General of the Army whether it was possible to determine, from the military Estimates, a simple matter such as the increase in expenditure for certain services. This, assured the Accountant-General, "would have been extremely difficult" (quoted in Churchill 1906, Vol. II p. 320; see also the Quarterly Review Vol. 165, July to October 1887, p. 269).

To disregard, as the form of the accounts encouraged, whether the money spent achieved its avowed purpose or did so at the least cost was, argued Sir Charles Harris, not financial control but an inducement to financial delinquency (1911, pp.65, 67; Harris 1938, p.314; Evidence of Harris before the Select Committee on National Expenditure 1908; Grimwood 1919, p.114; Evidence of Sir John Bradbury before the Sub Committee on the Form of Public Accounts 1918). Army finance expert (see the Brodrick Committee 1898, Questions 484-487, p.21) Lieut. Churchill also denounced the army's financial and accounting systems. It was difficult to imagine, he claimed, a system that could possibly be worse (1895, p.36; see also Ormsby 1908, p.836). These were also the sentiments of the Select Committee on Army and Navy Estimates (1887) (Questions 34,
953-979, 1134) and Amery who referred to the whole system of Parliamentary financial control as anachronistic, consisting of "cumbrous safeguards" (Vol. 2 1902, p. 41). Sir Charles Harris, after many years' service at all levels in army accounting, confessed that "we in the army hardly know what accounts are" for management purposes (1911, p.64; Ellison, Notes on Cost Accounting 1918, p.5).

When compared to the accounts of even small businesses the army's accounts were widely regarded by experienced administrators as nothing but rudimentary and mechanical, despite the acknowledged complexity and extent of British Army administration. Colonel Sir John Keane dismissed army accounts as valueless for control; of no use for ensuring efficient and economic administration (Concluding Address, Grimwood, May 1919). Similarly, participants at an Imperial Defence Conference prior to World War I lamented that accounts had never shed any light on the economy, efficiency or otherwise of military administrators (noted by General Anderson in Commonwealth Parliamentary Papers 1914-15-16-17, Vol.II, p.166).

Obsessive concern for financial accountability and personal responsibility (for example, see Regulations for the Commissariat and Transport Staff 1881, Section I, subsection I, paragraphs 9 and 17) and the plethora of financial regulations spawned by civilian finance sections at the War Office (Evidence of Sir Ralph Knox, the Brodrick Committee 1898) continued to deny army accounting a wider role to well into the 20th century. Concentration on financial accountability and personal responsibility had the effect in the army of inducing a self protective langour (see Regulations for the
Commissariat and Transport Staff 1881, Section VI, subsection II, paragraphs 199, 200, 202; Regulations for the Purveyors Department 1861, paragraph 116). For example, Mr. Stafford before the Roebuck Commission (1856) referred to the difficulties he encountered when he attempted to organise the cleaning of lavatories at his hospital at Scutari. Because no instructions, money or authorisation had been specifically provided for this purpose no one was prepared to authorise the necessary expenditure. Anyone who took up this unscheduled task on his own initiative was, Stafford assured the Commissioners, at risk. They could be made to pay for the work out of their own pocket (see Woodham-Smith 1977, p.131; See also the Evidence of William Sargent, Agent for Commissariat Supplies, before the 1833 Commission to Report on Consolidating the Departments Related to the Civil Administration of the Army, referred to by the Howick Commission 1837, p. 108).

Compounding the problem of a myopic military accounting function were the accounting personnel at the War Office who were selected not because of their accounting and financial prowess or business ability but because of their knowledge of regulations and their capacity to follow orders (Evidence of the Accountant-General before the Strathnairn Committee 1867, Question 2690, p.210). Originality and initiative were not commendable qualities for army accounting. This was necessarily so while ever military accounting was responsible primarily for ensuring all claims for payment were correct as authorised under the Estimates and Regulations (see Appendix VI to Evidence before the Strathnairn Committee 1867, Question 2751, p.243).
4.6 CONCLUSION AND SUMMARY

The first task of this chapter was to examine the crucial role of appropriation in Parliament's financial control over the army. Through the mechanism of appropriation Parliament's control over the existence of the army was assured. Until the mid 19th century however, there was little or no scrutiny by Parliament of the pattern of spending of appropriated money. This was primarily due to the neglected condition of government accounts and audit procedures.

From 1846 on there was marked improvement in Parliament's monitoring of military spending. Both the 1846 Audit Act and the 1866 Audit Act introduced tighter appropriation accounting and audit while the establishment of the Public Accounts Committee in 1862 provided Parliament with direct and informed contact with appropriation accounts.

Unfortunately, improved Parliamentary surveillance of military spending only contributed to the narrow stewardship use of appropriation accounts. Individuals accountable for money or stores invariably had little choice but to regard their accounts as a means of protection against personal liability. This is most consistent with a system of financial surveillance directed not towards rewards but punishments. Accounting practices, instead of being valued for their ability to assist in the implementation of programmes and the achievement of goals became significant of themselves. All that seemed to matter was that Parliamentary demands were fulfilled through the accounting requirements.
This introduced a rigidity and routineness to army accounting and sapped it of any vitality as it proceeded ritualistically. Indeed, the great challenge in army accounting was to find a balance between a deficiency of routine and regulations, and an excess which denied initiative: "between financial disorder and futile formality" (Sir Charles Harris, Foreword to Durell 1917).

Improvement in Parliamentary accounting and audit was reliant upon the work of knowledgeable civilians. For the army unfortunately, a very chauvinistic civilian presence in finance was to be the source of much antagonism. As the following chapter discloses, this resulted in inconvenient financial jealousy and resentment and ultimately military financial imprudence.
"The control of Parliament, the interference of Parliament, the jealousy of Parliament for its rights and privileges, these are the stock arguments in favour of an adherence to the main lines of our present system of ... military administration."

(Lord Randolph Churchill, Memorandum to the Hartington Commission 1890, p.xv).
5.1 **INTRODUCTION**

To this point the main concerns have been: to detail within the Crimean War the major repercussions on army performance of the structure of financial control as it existed towards the beginning of the period under study; to outline the reasons for Parliamentary obsession with control of the army's finances; to examine appropriation and government accounting as a means at Parliament's disposal to ensure control of the army's finances; and finally to provide an overview of the essential weaknesses of the financial weapons in Parliament's armory of financial surveillance.

The task of this chapter is to examine both the role of civilians in military financial administration as a means by which Parliament gained additional leverage in military finances, and the military reaction to its civilian masters.

5.2 **MOTIVES FOR CIVILIAN CONTROL OF MILITARY FINANCE**

Civilians were essential, in Parliament's view, to Parliament's constitutional supremacy in military affairs; civilians would ever be guided by the public interest and ensure that the Army was never its own master (see Moncrieff 1909, p. 390). Because of the constitutional safeguard civilian control of finance would perform, no military personnel, no matter what their experience, were allowed to occupy prominent civilian financial positions at the War Office (see Churchill 1895, p. 37). The War Office Finance Department, staffed entirely by civilians, was really a financial check placed

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1. Sir John Brodrick (Earl of Midleton) recalled that at the time he became Secretary of State for War the War Office was "a vast establishment of 1500 civil servants" (Midleton 1939, p. 146; Also Fortnightly Review, Vol. CCLV, New Series March 1888, p. 305). Trevelyan referred to the War Office as "this monster establishment" (Trevelyan to Hamilton, 31 December 1858, in Hart 1900, p. 105).
on the Army by the Constitution. Civilians at the War Office therefore, were almost exclusively occupied with the examination of accounts (Evidence before the Select Committee on Army Estimates 1888, Questions 4883, Fourth Report p. 74). While all other areas of military administration passed into military hands in the late 19th century the civilian monopoly of finance remained firm as the constitutional rock upon which Parliament carried out its control of military finance (Fortescue, Nineteenth Century, December 1903, p. 917; Nineteenth Century, No. LXIX, September 1882, p. 523). Whether the civilian presence in military administration and other constitutional securities "be adequate against that most unmanageable instrument of power, a Standing Army, may be doubted", suggested Sir James Mackintosh, "but no Statesman ever thought ... (they) were more than enough" (quoted in Clode, Vol.I 1869, p.v). War Office\(^2\) civil servants were at the one time guardians of the public's money and sentinels of their freedom.\(^3\)

Viscount Hailsham referred to the "problem of reconciling military efficiency with civilian control" as the dominant feature of the British War Office (Introduction to Gordon 1935, p.v) while the Esher Committee similarly argued that "civilian control over military policy and administration" was at the root of military

2. Prior to 1857 it was called the War Department.

3. Another reason why civilians were thought best in army finance was related to the routineness of their work. No military knowledge was required to carry out the great bulk of the finance work; only "industry and regularity" were required. Military personnel would therefore be wasted (First Report of the Royal Commission into Civil Establishments, Vol. XIX, 1887, p. xii).
inefficiency (1904, Part 2, p.1 of the report). Inescapably, wrote Major Carter R.A.S.C., the Civilian Financial Branch in the War Office came to be regarded more or less in the nature of a Delphic Oracle, that occasionally was guilty of mysterious utterances, which invariably breathed blame and religiously eschewed praise. Thus it came about that the civilian branch developed into a sort of bogey, which everybody outside the War Office disliked in idea and sometimes even feared (1907, p.527).

In the view of the Esher Committee Parliamentary concern over military finance had been transmogrified in the 19th century from motives owing their origin to political and constitutional apprehension to financial sentience (1904, Part 2, p.15 of the report; see also the Evidence of the Duke of Connaught before the Brodrick Committee 1898, p.169, Questions 324 and 325). According to some commentators, given the accepted view of the army as being populated by guiltless spendthrifts, this made a closer civilian presence even more essential in military finance (Edinburgh Review, Vol. CXXXIII January to April 1871, p. 234). Earlier constitutional fears however, still made their presence felt in the perpetuation of mechanisms of financial control established by Parliament.

The Esher Committee attributed the economic motive for control of the army to the steadily increasing focus in the 19th century on the affectionately held assumption of civilian administrators "that military officers are necessarily spendthrifts" because of their concern for effectiveness which was widely seen as contradictory to

4. Royal Army Service Corps.
economy (1904, Part 2, p. 15 of the report; Also Alison 1869, p. 52; see also Questions 2641 and 2642 of the "Evidence before the Strathnairn Committee" 1867, p.204). As such, the Esher Report continued, there was on the part of both government and administrator alike, "an unwillingness to trust the soldier in his capacity as administrator", insisting that "their actions must be controlled in gross and in detail by civilians" (1904, Part 2, p.15 of the report; see also the "Final Report of the Brodrick Committee" 1898; Arnold-Forster, 1906 p.439). The Northbrook Committee in 1887 had also found a want of "reasonable confidence" in the military's financial integrity (Third Report, p. x). This was not unreasonable given that the financial demands of soldiers were, to the nation, insatiable (Northbrook Commitee 1870, first report, p.3). No amount of money was ever enough to meet the ghosts of war conjured by the military: "If you believe the doctors", parodied Lord Salisbury at the turn of the century, "nothing is wholesome: if you believe the theologians, nothing is innocent: if you believe the soldiers, nothing is safe" (quoted in Huntington 1972, p.66). In the early 19th century Pell warned that

if you adopt the opinion of military men, naturally anxious for the complete security of every available point; naturally anxious to throw upon you the whole responsibility for loss in the event of war suddenly breaking out ... you would overwhelm this country with taxes in time of peace (Cited in Morely 1903, Vol.II, p.47).

According to Huntington to err on the side of caution is a natural and understandable facet of the military psyche, for the repercussions in war of military improvidence in peace are a powerful stimulus to overstatement (see Dixon's Comments 1978,
While politicians concern themselves with intentions, the military man is worried more by the capabilities of others (Huntington 1972, pp.66-67). Capabilities are not so easily masked by a spirit of bonhomie. The goal of any spending on armies, argued Arnold-Forster, must ever be to ensure victory in battle (1906, p. 3). "An army which will win", assured Arnold-Forster, "is worth paying for; an army which will not win is worth nothing at all" (1906, pp. 12, 429).

Another reason for mistrusting the financial abilities of the army's officers, and therefore another reason for relying on civilians in finance, was their financial ignorance. Sir Guy Fleetwood Wilson, Director General of Army Finance in the 1890's, dismissed the military as incompetent administrators. In his view he had only met three military men who were "first class administrators" (Fleetwood Wilson 1922, p. 104). Given the background of most British officers complaints against their financial abilities were well founded. British officers, being drawn almost exclusively from the aristocracy, had little or no exposure to finance prior to entering the army (Otley, 1970). Not only were they, as a class, bereft of financial skills but also the British Officer (and the army) made no attempt to remedy the deficiency. To do otherwise would have been to betray their class, the leisure-class. The British army officer dedicated himself to the pursuits of leisure, to cultivating the 'virtues' of the amateur being "an amateur born and bred, with an amateur's lack of training, an amateur's contempt for method, and an amateur's ideal of life" (Sir W. Broderick, The Nineteenth Century No. CCLXXXIV, October 1900, p. 524; The Contemporary Review, December 1886). The officer's life was therefore a daily round of social events and
sporting activities, the routine of army life being left to the non-commissioned officers.

Mistrust of the military with access to money was difficult to break, even allowing for the weakening of constitutional apprehensions upon which control of army finance had been determined. Parliament mistrusted the army because of the army's lack of financial experience; the army sought financial autonomy to overcome Parliament's financial dictatorship but was unable to convince Parliament of their ability to manage financial affairs. Parliament would give no peacetime financial freedom without evidence of ability but ability only developed with practice and training. Practice required autonomy which Parliament was not prepared to give.

5.3 THE CIVILIAN HEADS OF ARMY FINANCE

In 1890 both the Hartington Commission and an Order of Council reaffirmed the by then entrenched constitutional principle (and the findings of an earlier Committee in 1860), "that the Authority of the Sovereign over the Army (through the Commander-in-Chief) ... could only be exercised, in the same way as any other power of the Crown, through a responsible minister" (cited in the Report of the Hartington Commission 1890, p.xxv, also p.xxiv). This responsible minister was the Secretary of State for War. The Secretary of State for War\(^5\) as a minister of Parliament and a civilian was the governing head of the Army, although in peace his influence in army

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5. Colonies were added to the portfolio in 1801 but deleted in June of 1854 by 18 & 19 Vic. C.117 to create the first full time Ministry of War.
administration was unspectacular. His greatest administrative powers were activated by war. The main duties of the Secretary of State for War were: to the Crown, to ensure the armed forces were 'efficient'; to Parliament, to ensure estimates were formulated with regard to economy but more especially that expenditure accorded with votes; to the Treasury, to ensure money was spent according to established Regulations and principles (Goodenough 1893, p.390; "Royal Commission on Warlike Stores 1887, p.viii).

Under normal circumstances the Secretary of State for War did not communicate directly with the Commander-in-Chief, certainly never in person, conferring instead with the Secretary-at-War (to 1855) who would convey the wishes of his superior to the Commander-in-Chief. Communication difficulties were magnified between the Secretary of State for War and the Commander-in-Chief by the geographical separation of their offices. Prior to 1870 the Commander-in-Chief had his offices at Pall Mall while the Secretary of State resided at Whitehall. The Northbrook Committee in 1868 regarded the different locations of the Commander-in-Chief and the Secretary of State for War with some unease. According to the Committee the separation engendered the view they were two distinct departments which tended to "antagonism on the part of the military men against the supremacy of the civilian powers" (Questions 3789-3790). The geographical separation of the two offices however, was not unusual in military affairs at the time for, as Haldane relates in his auto-biography, the German Army had historically housed its administration and command in separate buildings that had
to be, by regulation, at least a mile apart (1929, p.22). After the War Office Act 1870 when the Constitutional supremacy of civilians in the command and administration of the army was once and for all clearly asserted opposition by the military to the Office of Secretary of State for War intensified.

Objections to control of the army residing in the Secretary of State for War invariably were directed at the 'necessary' ignorance of civilians in military matters. The army, it was argued, was a complex organisation with its own peculiar terminologies and procedures which required many years of military association to understand. No civilian could ever hope to know the army intimately and therefore could never manage its affairs properly. Sir Thomas Hastings, Principal Storekeeper to the Ordnance, prophesied in the late 19th century calamity for a system "which places ... military departments in the hands of a civilian ignorant of military ... requirements ..." (quoted in Sweetman 1971(b), p.204). This was especially so in the case of politicians who occupied ephemerally the position of Secretary of State for War, normally for periods of less than two years (Quarterly Review Vol. 131, 1871, pp. 523-549; Quarterly Review, Vol 165, 1887, p. 270; Nineteenth Century, December 1903, pp. 908, 914; Nineteenth Century Vol. XXX, 1891, p. 17; Quarterly Review Vol. 157, 1884, p. 514). There were of course very strong proponents of the continued civilianisation of the office of Secretary of State for War.

6. The physical and administrative isolation altered with the War Office Act of 1870 which required the Horse Guards to move from Pall Mall to Whitehall.
The work of the Secretary of State for War and the Colonies was reinforced by the duties of the Secretary-at-War to 1855. The Secretary-at-War, another civilian, was to oversee army expenditure in the interests of the public and to ensure that money voted by Parliament was used expressly for the purposes authorised (Clode 1869, Vol.I p.225; 384 Anne, C.5; Ward 1957, p.6; Gordon 1935, pp.39-40; Hartington Commission 1890, Appendix C, p.60). Lord Palmerston saw the Secretary-at-War as a barrier between the army and civilians by providing a "constitutional check" on military expenditure (Atlay 1909, pp. 243-244). Lord Hardinge, then Commander-in-Chief, upheld in 1837 the Constitutional principle that the head of the army should have no authority over army finances when he reaffirmed that "the exclusive control over public money voted for military purposes rests with the Secretary-at-War" (cited by the Hartington Commission 1890, p.xxiv). The Duke of Wellington, formerly a Commander-in-Chief of the Army, confided in 1828 that it was "much better that the Secretary-at-War should be the person to regulate (finance) ... than it should be in the hands of officers

7. Sidney Herbert as Secretary-at-War in 1854 provided, what was at that time, one of the first clear statements of the duties of the Secretary-at-War:

"The Secretary at War is strictly a financial officer; he exercises a control and check over all expenditure, and no alteration even in matters of promotion and discipline which necessitates any increased expenditure can be carried into effect by the Commander-in-Chief without his sanction. ... He has also the preparation of the Mutiny Bill and the Estimates" (quoted in Stanmore 1906, p. 225).
connected with the army" (Hartington Commission 1890, p.xxiv). The office and duties of Secretary-at-War were amalgamated with that of Secretary of State-for-War in 1855 and it was abolished in name and practice by 26 & 27 VIC. C.12 in 1863 (Goodenough 1893, pp.391-392; Hartington Commission 1890, p.xxiv). Subsequent alterations to the office of Secretary of State for War are covered in section 6.6 of this work.

5.4 MILITARY OPPOSITION TO A CIVILIAN PRESENCE IN FINANCE

The British Army had a well ingrained dislike for civilian meddling in any aspect of the military arising from several sources: the purported ignorance of civilians in military lore which could only be remedied by a lifetime of close study and experience; civilian isolation from the army as a social class and the "delicate and obnoxious duty (of civilians) of checking extravagant tendencies, of acting as a Remembrancer of regulations ..." (Lord Haliburton 1875, Quoted in Atlay 1909, p. 37).

Friction between the military and civilians was endemic, occupying a large part of the military's time in meeting civilian objections to military proposals (see the Duke of Cambridge's comments in Atlay 1909, p. 41; Quarterly Review Vol. 193, 1901, p. 192). If nothing else, suggested Major-General Balfour, simply belonging to the civilian or military 'class' guaranteed that two differing views would be brought to bear upon most questions, for each approached the issues from different directions. Use of the epithets 'civilian' and 'military' were sufficient to produce a
counterproductive polarisation of views (Evidence before the Strathnairn Committee 1867, Question 2457, p.191). The predominant characteristics of military life: extreme discipline, exclusive intramural loyalties, authority which was not determined by democratic processes, social and professional isolation, dependence on the civilian for their very existence and a monopoly of the forces of violent coercion, all combined with the constitutional development of the army to breed in the military a feeling of alienation from society. The army was in a very acute sense the complete antithesis of civilian society yet it was given the responsibility of ensuring the continuance of a social system and social mores which the army could never accommodate within its own organisation (See Abrams, no date given).

In these circumstances it was not to be unexpected that military values, not generally revered by society at large, would be jealously and zealously protected by the military. Members of the military were moulded to regard themselves as a distinct caste and the military ethic as the embodiment of that which was good, normal and pure. In the closed, monastic and self laudatory environment of the army it was easy for the military to regard themselves as the repository of that which was desirable: all else must by implication be eccentric. The greater the threat to the military the more important it was for the army to be obsessive about its values (See Abrams).
The dissonance of military and societal values and the mere toleration and not reverence of the army convinced the military that the only way it could ensure the continuance, in an undiluted form, of the values it regarded most highly was by vigorous defence. Internally this defence could take the form of, amongst others, pedantic attention to the intricacies of discipline to sharpen military ethics, the ritual of the mess and the regiment, and reverence for military accomplishments of the past (See General Fuller 1935, p. 15). These also allowed the military to meet in a non-threatening form the potentially self deprecating alienation from membership of civilian society (See Abrams). The army could 'embalm' itself through tradition and thereby cut itself off from a social reality none of its concern (General Fuller 1935, p. 16).

So extreme was the antipathy of the army towards its civilian financial administrators that it was implied, and expressly stated on more than one occasion, that zealous co-operation by a member of the military with the civilian departments at the War Office was tantamount to professional suicide. Speaking during the debate on administrative reform of the army in June 1855 Layard indicated that army reform by civilians was a very prickly problem. Certainly the army resented civilians interfering. Yet, Layard questioned "whether any but a civilian can touch the army? Why, a military man dare not touch the army". For, while a civilian may make mistakes when it came to understanding the overwhelming number of regulations that undergirded the military, there was no alternative but to have civilian involvement. Correspondence Layard had received from a high
ranking army officer made it unmistakably clear to him that the civilian could not expect to be "able to receive open assistance and evidence, which would probably be the ruin of any military man who might volunteer to enact such a Curtan part" (Hansard 3/CXXX VIII/2040-2063).

While the majority of officers, though by no means all officers, may not have actively and openly opposed civilians in their duties they did little to make the civilians' work easier (see Evidence before the Strathnairn Committee 1867, Question 1843, p.118; see Trevelyan's Comments on the Horse Guards 1922, p.305). Communication between civilians in administration and the military was punctilious in the extreme with personal contact normally out of the question. All discussion was by letter, even when the Horse Guards were located within the War Office (Hartington Commission 1890, Appendix C, p.60), which resulted in "a mass of correspondence out of all proportion to the work which has to be done" (Major-General Sir William Butler, evidence before the Brodrick Committee 1898, Question 1499, p.218; see also Wheeler 1914, p.196; Gordon 1935, p.231; "Report of the Select Committee on Military Organisation" 1860, p. xvi of the Report). When Cardwell forced the Horse Guards to Whitehall by the **War Office Act of 1870** he was at once able to reduce the flow of correspondence by 30,000 letters a year. Despite this, while ever the division between civilian and military, between financial administrator and combatant, existed

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8. See Major Carter, who mourned the rift between military men and civilian administrators (1907, p.527) and Lieut.-Colonel Goodenough (1893, p.397).
there continued an aversion to speaking together 'sufficiently' in preference to "writing backwards and forwards" (Evidence of Sir Evelyn Wood before the Brodrick Committee 1898, Question 1125, p.201).

According to Major Churchill and Major Carter, making civilian administrators and the military geographically closer, as did the 1870 War Office Act, only exacerbated the administrative problems 'created' by the civilian control of finance for the system meant that when a civilian is in doubt he (might consult) ... a military man who is probably inexperienced in finance. The consequence is that we suffer from a combination of evils, for civilians who have no practical experience of the army, and military men who have no knowledge of finance, are likely to mislead each other (Churchill 1895, p.39).

Military officers characterised the civilian administrator as undependable (Evidence of the Commissary-General-in-Chief, Mr. W. Power before the Hartington Committee 1864, Question 2735), obsessive and captious about money and economy and not caring about the army (Evidence before the Brodrick Committee 1898, Question 502, p.175; The Nineteenth Century, December 1903, p. 917). Sir Guy Fleetwood-Wilson seemed to epitomise the civilian administrator as criticised by the army. As Director-General of Army Finance Sir Guy Fleetwood Wilson only succeeded in strengthening the accusations of the Military against the civilians inveterate concern for saving money at the army's expense. According to Fleetwood Wilson he saw his duty to insist on a shilling being sufficient when it could be made to produce the same result as half-a-crown ... (Thus) I was constantly employed in pricking bubbles and pointing out weak spots in military 'adventures' ... (1922, p.114).
Economy to the House of Commons and the Treasury, stressed Arnold-Forster, meant "nine times out of ten, ... the demand for a reduction" (1906, p.429; see also the Earl of Midleton's conversation with the Chancellor of the Exchequer in Midleton 1939, p. 124). Economy to the military on the other hand, was sufficient spending to ensure victory and not a penny more or less.9 Army finance and administration implied to the military mind nothing more than "a reduction of every consideration or object to the level of pounds, shillings and pence" (Carter 1909, pp.371-372). According to the military the application of the financial preening-hook to the army forced the army to often relinquish the best military practices in favour of those that could be afforded. Thus the "lessons of the past fade away ..." (Alison 1869, p.9) and the efficiency of the army suffered ("Observations of Lord Panmure", February 1855, Panmure Papers 1908, p. 47). The civilian, persisted the military, was intent on hampering military administration and performance at every turn (Fortnightly Review, Vol CCCXCVII, New Series 1900, p. 2).

Churchill reflected the almost patriotic regard the army had for resisting financial measures aimed at economy when he indicated that it was

perfectly certain that regulations which emanate from ... (civilians) will be unpopular with military men; while in their attempt to economise these civilians far from receiving the co-operation of officers, have frequently to contend with the dead weight of inert opposition (Churchill 1895, p.43; see also Evidence of Sir Ralph Knox before the Brodrick Committee 1898, Question 901, p. 191).

9. "The military way is marked by a primary concentration on men and materials or winning specific objectives of power with the utmost efficiency, that is with the least expenditure of blood and treasure". (Vagts 1959, p. 13).
Best results were only possible as long as

the 'business' of the army be in the hands of the army . . .

(for) then Army officers will be 'business' men in their

own particular line. They, and they only, can know how to

produce in the Army the much desired combination of

efficiency and economy (Pritchard 1910, p.221; see also

Ormsby 1908, p.842).

The army characteristically closed ranks to resist, if only

passively, any influences that could be debilitating for the army.

There was, noted Lord Panmure in a letter to Prince Albert, a

continuous "battle between parsimony . . . (by civilians) and

patrician economy . . . by the military" (February 28, 1857; Panmure

Papers 1908, p. 359). Constitutional alienation of the army from

the rest of society, the way it had traditionally been handled at

arm's-length "sundered from the main stream of national life" (Amery

1902 Vol.2, p.3) certainly ensured in time of organisational crisis

that military loyalties would be directed inwards. The Edinburgh

Review referred to this esprit de corps as the "soul" of the

military, sustaining it in difficulty (Vol. CLXI January to April

1885).

Revered traditions and mores, developed in the military (Amery

1902 Vol.2, p.3) to meet the antipathy of the outside community,

continued in the 19th century, despite the waning of constitutional

mistrust, a most intractible impediment to improved civilian-
military relations (See Amery 1902 Vol. 2, p. 3). The general

feeling in the army throughout the latter half of the 19th century

apparently was to 'do the War Office' (Evidence of Lieut.-Colonel

Churchill before the Brodrick Committee 1898, Question 502, p.175).
Certainly there was little admiration for the work of the civilians (Earl of Midleton 1939, p. 98). 10

This esprit de corps was a formidable hindrance 11 to financial policies aimed at financial rationalisation of the means of defence, or even audit of its activities (see the Evidence of Sir Ralph Knox before the Brodrick Committee 1898, Questions 1373 and 1374, p.212). In the case of audit, with the provisions of the 1866 Audit Act about to be applied to the army in 1876, the Treasury and the Public Accounts Committee, recognising the army's distaste for examination by civilians, felt compelled to caution the Comptroller and Auditor-General and warn him of the 'delicacy' of his task:

Your Committee recognise that the introduction of the proposed Test Audit must be conducted with care, discretion and mutual forebearance ... (No) inter-departmental difficulties (must be allowed) ... to delay the application or impede the smooth working of an audit of Army Accounts ... (Report of the Public Accounts Committee 1876, p.122; see also Normanton 1966, pp.104-105).

The relationship between civilians and military was never free of mutual suspicion. The army was unable to shed its loathing of civilian authority which emanated from the Commons, which the army was only too eager to admit was the real thorn in the army's side (see the Evidence of Sir Ralph Knox before the Brodrick Committee 1898, Question 1382, p.212; Fortnightly Review, Vol. CCCXCVII, New

10. There were frequent conflicts between the army and the Comptroller and Auditor-General (see Normanton 1966, pp. 105-107).

11. In other circumstances Arnold-Forster referred to the military esprit de corps as "a most valuable force ..." (1906, p. 363).

Arnold-Forster was Secretary of State for War from October 1903 till December 1905. See also Arnold-Forster 1900, p. 4.
Like most individuals the army found it irksome to have to dance to another's tune. Restraint in whatever form it may take is universally despised.

5.5 THE ORGANISATION OF THE CIVIL SERVICE AND CIVILIAN COMPETENCE

What particularly irritated the military and strengthened the antipathy of the civilian and military departments was the apparent supercilious arrogance of the civilians at the War Office. Not only was it 'clear' to the army that civilians knew very little about the military but the civilians generally refused to accept any assistance, advice and the expertise the army might have and was prepared to offer (see, for example, the case of Sir Walter Ogilvey of the Army Pay Corps in Evidence before the Brodrick Committee 1898, Questions 508 and 509, p.175; Alison 1869, p.52). The Select Committee on Army Estimates (1888) noted there was not so much as one military clerk in the Department of the Military Secretary (Evidence, Question 5895). This also applied to the Accountant-General's Office (Evidence of Ralph Knox, Accountant-General before the Royal Commission into the Civil Establishments (Ridley Commission) 1887, Question 906). For civilians to remain ignorant in the presence of a bounty of advice and knowledge was nothing but mischievous, suggested Lord Randolph Churchill (Churchill to Lord Goschen, Chancellor of the Exchequer, 4 March 1888, cited in Elliot 1911, p. 149). Indeed, little or no attempt was made by the finance section of the War Office to involve the military in any financial discussions affecting them and frequently no indication was given by the Finance Department of the path it followed in its deliberations. In these circumstances, with the army receiving little more than a
yes or no from civilians on finance, it was not unreasonable for the
army to argue that civilians at the War Office love "darkness rather
than light .. (and) prefer bureaucratic closeness to open
discussion" (Edinburgh Review Vol. CXLIII, 1876, p. 36).

Accusations of civilian ignorance and therefore incompetence
in military matters were countered by well supported charges of the
military's own prized ignorance of military science and
administration. General Fuller upon joining the British Army in
1898 was "appalled by the ignorance which surrounded me and the
immense military value attached to it. The officers I met were
ignorant of everything beyond the most rudimentary elements of their
profession" (Fuller 1935, p. 53). Biddulph, who was private
secretary to Lord Cardwell in 1871, had been surprised and
disappointed at "how little ... (was known) by officers generally of
the principles of army administration (1904, p. xii). Discussion of
military matters in the mess was strenuously discouraged as being
'bad form'. It was also 'bad form' to study to improve military
expertise and there were no procedures to test the knowledge of an
officer on active service. (Rankin 1901, A Subaltern's Letters to
His Wife, p. 64). Education of officers continued to remain
anachronistic,12 proded by fright every so often e.g.
Franco-Prussian War and Crimean War, to introduce minor changes.

12. The well educated officer in the mid 1850's was required: to
be able to translate Livy's History of Rome; know the names of
all European capital cities; to have read Caesar's
Commentaries, Plutarch's Lives, Alison's Life of the Duke of
Wellington, Yates' Elementary Treatises in Tactics and
Strategy, Napier's History of the War in the Peninsula and
Wellington's Dispatches (The Pattern Military Officer, Quoted
Differences in the tenure of office of civilian and military personnel at the War Office was a fertile source of antagonism. Whereas the civilians employed in the War Office or Treasury might spend their entire career in either department the military at the War Office (after 1870) were rotated frequently (Contemporary Review, Vol. LXVII, July to December 1895, p. 330). There was little or no movement of civilians between each government department, each department regarding itself as distinct from all other departments and not part of a single, correlated service (Finer 1937, p.29; Campbell 1965, p.14,17). However, immobility within the Civil Service had serious implications, especially for the Treasury, such that "the internal arrangements and regulations of the different departments ... (were) very imperfectly understood at the Treasury ..." (Sir Charles Trevelyan 1875, in The Nineteenth Century, Vol. XX July to December 1886, p. 500).

For much of the 19th century, certainly until 1870, civilian appointment to government departments was very much dependent upon political favour ("First Report of the Civil Service Inquiry Commission", 1875, pp. 5 & 7 of the report). It was accepted within government that one of the rights of political ascension was the ability to bestow favours in the form of providing secure government positions. Not all politicians looked upon this with favour because the clamorous beseechings by anxious relatives could be an annoyance occupying a great deal of their time (Quarterly Review, Vol. 133, July to October 1872, p. 243). The result of nepotitic appointments, concluded Northcote and Trevelyan in 1854 was that
government departments became refuges for the unambitious, and the indolent or incapable. Those whose abilities do not warrant an expectation that they will succeed in the open professions and those whose indolence of temperament or physical infirmities are unfit for active exertions. The comparative lightness of the work, and the certainty of provision in case of retirement owing to bodily incapacity, furnish strong inducements to the parents and friends of sickly youths to endeavour to obtain for them employment in the service of the Government. The result naturally, is that the public service suffers both in internal efficiency and in public estimation (Report on the Organisation of the Permanent Civil Service, Vol. 27 (1713) 1854, p. 4 (Trevelyan-Northcote Report); Also Quarterly Review Vol. 133 July to October 1872, p. 243).

John Bright referred to the Civil Service as "a gigantic system of outdoor relief for younger sons of the landed aristocracy" (Nineteenth Century, No. CCLXXXIV, 1900, p. 532). The Westminster Review indicated that at the time of the Trevelyan-Northcote report the Civil Service had "become the epitome of the intellectual weakness of the nation", being inhabited with a liberal dose of aristocratic dolts (January to April 1876, New Series Vol. XLIX, p. 467). Having obtained a sinecure in the government's service dismissal was almost unheard of, especially for 'mere' stupidity (Quarterly Review, Vol. 133, July to October 1872, p. 243; Trevelyan-Northcote Report 1854, p. 5).

The investigations of Trevelyan and Northcote, instigated by a Treasury Minute of the 12 April 1853, discovered little of merit

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13. Examination of letters written by Trevelyan between 1840 and 1859 indicated to Hart that the ideas presented by Trevelyan in the 1854 report were the product of a gestation period of at least fourteen years. Thus despite the report's brevity, 34 pages, it was not the result of a hurried and superficial consideration of the civil service as was claimed by its critics (Hart 1960, p. 106).
in the organisation and operation of government departments and thereby indirectly added veracity to the military's claims of civilian incompetence and inefficiency (see the Comments of the Quarterly Review, Vol. 168, January to April 1889, p. 453). Predictably, the observations in the final report were met with a storm of protest and personal vilification from prominent officials, among them Sir Thomas Fremantle, and Sir George Lewis, and from some sections of the press. The Under Secretary of the Home Department called the report a collection of "unjust and unfounded imputations" which created a case "for the purposes of prejudice, rather than of a fair and impartial statement ..." (quoted in the Quarterly Review, Vol. 108, July to October 1860, p. 577).

Because of the obvious opposition of senior civil servants the government was loathe to implement all the recommendations of the Trevelyan-Northcote report. The most contentious of the report's recommendations, which received only diluted government approval, was the selection of lower grade civil servants by examination after consideration of the "age, health, and moral fitness of the candidates" (Trevelyan-Northcote Report 1854, p. 11). As the first step in implementing the examination proposal, by an order in Council on the 21 May 1855 Civil Service Commissioners were appointed to examine the fitness for employment of all applicants to government departments. The Commissioners could make success in an examination set by them a precondition for employment but only if agreed to by the relevant government department. Each department was still free to hold its own examinations or to dispense with them altogether.
Despite strong opposition to the extension of compulsory examinations\(^\text{14}\) to all departments and conducted by a central body, Orders in Council on the 4 June 1870 and 19 August 1871 made examinations obligatory appointment assessment criteria for all departments.\(^\text{15}\) The Orders in Council also created three divisions of Civil Servants: writers, who were in the majority appointed on a casual basis,\(^\text{16}\) and two grades of clerks, Class I and Class II. Both classes of clerk were to be recruited principally on the basis of examination results, although there were exceptions permitted for Class I appointees. Class I clerks were recruited for their intellectual abilities and represented a select group to be insulated from the mundane routine of government: they were to be an elite (First Report of the Civil Service Inquiry Commission 1875, p. 6 of the report). The selection examination for Class I emphasized higher learning while that for Class II examined the more mechanical abilities of the applicants (For details of the examinations see *The Nineteenth Century*, Vol. XX, July to December 1886, pp. 492-493). The different examinations effectively closed access to the higher division for applicants of humbler origins and possessing the barest of educational achievements (See the criticisms of the Quarterly Review, Vol. 133, July to October 1872, p. 248). Further, subsequent movement between the two classes after

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\(^{14}\) See page 157 for some of these objections.

\(^{15}\) Some positions were still exempt from the requirement of sitting an examination if recommended by the Treasury (Superannuation Act of 1859, p. 4).

\(^{16}\) Writers were treated in a very hard fashion, receiving very low pay and no pension, however long their service (See "Evidence before the Select Committee on Army Estimates", 1888, Fourth Report, Questions 4828 to 4831).
appointment was impossible and any change to this was strongly resisted (Quarterly Review, Vol. 168, January to April 1889, p. 458; Evidence of Sir Reginald Welby, Permanent Secretary to the Treasury, "before the Royal Commission on Civil Establishments, 1887, Question 76). Stating somewhat the obvious, the Playfair Commission in 1875 argued this dual and prejudicial system of employment tended to "promote discontent" (1875, p. 9 of the report).

Objections to the new Civil Service organisation and recruitment changes focused on the emphasis given to examination performance in the selection process. It was argued that examinations would: not be able to separate those who were morally unfit for public service; narrow school and university curricula to allow students to swat and cram for the Civil Service examinations; fill the Civil Service with young men who were bright but would also be bored with the mechanical nature of most of the work and therefore become troublesome (Edinburgh Review January to April 1874, Vol. CXXXIX, pp. 334-357; Quarterly Review Vol. 133, July to October 1872, pp. 247-261; Quarterly Review Vol. 168, January to April 1889, p. 455; see also Fleetwood Wilson's experience of the examinations in 1869, 1922, p. 45; Westminster Review, May 1901, pp. 547-549 and October 1902, pp. 462-466; Evidence before the Select Committee on Army Estimates 1888, Questions 4518-4521, pp. 50-51). Subsequent experience with 'Playfair men' proved these doubts and criticisms to be unfounded. Ralph Knox could not detect any deterioration in the character of the men recruited into the Accountant-General's office in the War Office, although he did notice an improvement in ability (Evidence before the Royal
Despite the rapid advances made since the Trevelyan-Northcote report in 1854 the Civil Service remained a Civil 'Service' in name only. There was almost no integration of positions throughout government departments whilst movement between departments was an exceptional occurrence. Each office, remarked the Quarterly Review in 1889, was "a little family coterie in itself", a law unto itself (Vol. 168, January to April 1889).

With each Civil Servant channelled into one department for his entire working life with the government the result was, remarked the Trevelyan-Northcote report, the encouragement of narrow views and departmental prejudices ... (as well as) considerable inconvenience ... from the want of facilities for transferring strength from an office where work is becoming slack to one in which it is increasing ... (1854, p. 8).

The Terms of Reference of the Playfair Commission in 1874 ("Civil Service Inquiry Commission") into the Civil Service directed the attention of the Commissioners to this autonomous nature of government departments when they stressed the need to investigate unification of the civil service and therefore the need to determine the principles upon which men should be transferred from Office to Office ... (3) The possibility of grading the Civil Service as a whole.

17. Adding more weight to military criticism of civilians in the War Office was the fact that the Treasury and Foreign Office were preferred by the brightest recruits while the War Office was the least preferred and thereby inhabited by the least talented appointees. For example see the First Report of the Civil Service Inquiry Commission 1875, p. 18.

18. For a discussion of those immediate events and forces which prompted the Playfair Commission see the evidence of Sir Richard Hamilton before the Royal Commission into the Civil Establishments 1887, p. 422.
The Playfair Commission therefore was the first significant attempt to investigate unification of the Civil Service, the majority of the Commission's recommendation's being accepted by Gladstone's government (Quarterly Review, Vol. 168, January to August 1889, p. 465). Most significantly there was now to be open competition for positions in all departments. By allowing departmental mobility Civil Servants were to be encouraged to see themselves as serving interests wider than those of their immediate superiors and their departments, and to view fellow Civil Servants in other departments less as competitors and more as colleagues sharing a common esprit de corps (Westminster Review, New Series, Vol. XLIX, January to August 1876, p. 488).

However, despite the marked improvements in the Civil Service following on from the Trevelyan-Northcote report and the Playfair Commission, to a very large extent Civil Servants, despite being civilians, continued throughout the second half of the 19th century to see themselves as isolated from the community because of the nature of their work. Also, although opportunities to move between departments were created after the Playfair report the parochial exclusiveness of the service with its consequent narrowing of the field of vision to a single department continued (Evidence before the Select Committee on Army Estimates 1888. Questions 5003, and 5005 of the Fourth Report refer to the absence of any movement between the War Office and the Treasury). Civilian government departments resented interference from other departments.

Thus the longevity and permanence of civilians in office gave

19. Appointment as a civil servant was to a secure position for life unless, notes Campbell, "guilty of some heinous offence" (1965, p.19). Dismissal for inefficiency was almost unknown.
them an aura of authority and proficiency which was resented by the more ephemeral military at the mercy of financially knowledgeable civilians (see Clode 1869, Vol.II, p.514). Because of their intimate knowledge of the great mass of details which characterised the army's financial business, and which were largely unintelligible to the uninitiated, the civilians, argued Galton, tended to become presumptuous, denegrating military contributions (cited in Clode 1869, Vol.II, p.512; Churchill 1906, p. 179). It was not surprising that the Duke of Cambridge, an implacable foe of any incursion by civilians in military affairs, treated the War Office as an inconvenient rival; something he shared with Edward VII (See Midleton 1939, p. 168; Atlay 1909, p. 41).

Even more serious in nurturing the hostility of the army towards its civilian administrators were the accusations made by the army that civilians in finance interfered in technical military questions (see the report of the Dawkins Committee 1901, p.182; See Howard 1978, p.21; also Bond's comments on Wellington 1961, p.617; Blake 1978, p.28). The army argued that this contravened what "has hitherto been understood that, the Army once voted, Parliament ought not to interference with its arrangements" (The Duke of Cambridge 1837, Quoted in Gordon 1935, p. 45; Also Lord Salisbury's comments in Roseveare 1969, p. 184). Prince Albert predicted that increasing civilian interference in military matters would "finally cause the ruin of our army" (Prince Albert to Lord Clarendon, September 17 1855, Panmure Papers 1908, p. 393).

After intensive investigation of the 38 Volumes comprising Sir Charles Trevelyan's letters between 1840-1859, Hart notes how he was impressed by the magnitude of Trevelyan's interference in military
matters. Trevelyan, as Chancellor of the Exchequer for most of these years, does not seem to have been able to leave the War Office alone. His intrusions were "constant" (1960, p. 97). The verisimilitude of the accusations of civilian interference was also attested to by the Esher Committee which directed doubters to War Office papers which "teem with minutes proving the clerks of the Finance Branch freely express their opinions on matters of military policy" (1904, Part 2, p.15 and see also p.17). This should not be regarded as unusual for most so called military questions can probably be reduced to a financial level. It was obvious to the Esher Committee however, that the intrusion of civilians into the hallowed area of military policy was because the civilians were unable to divest themselves of the distrust they had of the army in questions which even remotely were likely to produce a decision on finance (Esher Committee 1904, Part 2, p.15 of the report). This interference of the civilian administrators in 'purely military matters' was strongly condemned by the Esher Committee which firmly concluded that it "fully accounted for the administrative inefficiency at the War Office" (1904, Part 2, p.17 of the report; See also Edward VII's comments on civilian interference in Benson's Life of King Edward (1903) as cited by Midleton 1939, p. 168.).

20. Sometimes the interference was unavoidable due to military administrative deficiencies (see the experiences of Sir Guy Fleetwood Wilson, Director General of Army Finance, in Fleetwood Wilson 1922, p. 72).

21. The Crimean War which highlighted the maladministration of civilian controlled offices had already forced the Palmerston Government after the Crimean War to tighten control over civilian administrators (See Lord Panmure's speech to Parliament, February 21, 1856 as found in the Panmure Papers 1908, footnote 1 p. 118-120).
Viewed in the context of the neglected findings of the Trevelyan-Northcote report, and later findings, the claims of the military against the inefficiency, intrusion, ignorance and self interest of their civilian masters appear less the obsessive and unfounded harpings of the guilty. In addition, criticism of civilian involvement in military administration, especially its finances, was not restricted to the self interested military. In a letter to Lord Goschen, the Chancellor of the Exchequer and Lord Randolph Churchill's successor, on the 4th March 1888 Churchill indicated that he

had long been of opinion (sic) that the civilian management of the Services has completely broken down and has landed us in heavy expenditure ... Your civilians are mischievous, for they cannot have the knowledge to fulfill the duties which they insist on retaining in their hands (Quoted in Atlay 1911, p. 149; See also Fortescue's criticisms of civilian incompetence in military finance, The Nineteenth Century December 1903, p. 917).

The Northbrook Committee (1869) recognised the adversary nature of the relationship between financial administrators at the War Office and military officers but also made it quite clear that it thought both parties were at fault (1870, First Report, p.3; Also Third Report, p. X). In common with later commissions and committees the Northbrook Committee was unable to dismiss the need for a civilian presence, if not monopoly, of army finance. Successive investigations of military administration in the 19th century argued that the then present organisation of army supply and finance could not be isolated from the position taken by the constitution and by Parliament which demanded a strong civilian presence. Still, the Northbrook Committee (1869) was critical of
the way that the financial officials at the War Office carried out their constitutional role and spent most of their time merely checking, criticising and watching the expenditure of the ... military officials while the latter conceived that their object in life was to get as much out of the former as they could conveniently do. There were in fact two rival organisations, one endeavouring to spend all it could, while the other was conspicuous for its cheese­paring proclivities (Quoted in Striedinger 1909, p.202; see also Hutton, Commonwealth Parliamentary Papers Vol.II 1904, p.297; the Lawrence Committee 1924, p.712).

The result was that efficiency and economy were 'at war' for, lamented the Northbrook Committee

the expenditure which should be directed solely to secure efficiency tends to generate into extravagance, and economy, which should check waste to result in incomplete efficiency (1869, First Report, p.3; See also the Quarterly Review Vol. 129 July to October 1870, pp. 282-283).

Criticism was also levelled at the Finance staff, especially that of the Accountant-General, at the War Office who were described by the Esher Committee as 'promiscuous'. The Accountant-General and indeed his whole staff were called into question not only because of their suspect accounting credentials but also because of the department's avidity for self aggrandisement (1904, Part 2, p.15 of the report). Paradoxically an Accountant-General, Sir Ralph Knox, had earlier also alluded to the civilian administrators' need to "have everything in their own hands" (Evidence before the Brodrick Committee 1898, Question 857,

22. See Chapter 6 for details of the Accountant-General and his department.
Therefore, military fears of unreasonable and peremptory financial measures and suspicion of the motives and actions of the army's finance departments appear to have been well justified, especially on the part of the Treasury.

5.6 THE MILITARY, THE TREASURY AND THE PURSUIT OF ECONOMY

Civilians working in military finance were looked at askance by the army (See Turner 1912, p.297). An invisible "dividing line" existed between them (Dawkins Committee 1901, p.184), because not only were civilians seen as interlopers, dilettants in military matters but as agents of the Treasury acting as watchdogs over the State's money but with only "shadowy responsibility" for their actions (see Sir Ian Hamilton's Report, Commonwealth Parliamentary Papers 1914, Vol.II, p.150; see also Evidence before the Brodrick Committee 1898, Question 502, p. 175). Civilians in finance were approached as 'spies and strangers' (Higgs 1924, p.127). Sir Charles Harris, Head of the Finance Department at the War Office, gave some idea of the basis of the military's apprehension when he recounted how

as a junior official in (a finance branch) ... I was taught to consider myself an 'outpost of the Treasury', in the sense of being bound to resist anything contrary to the letter or spirit of Treasury instructions (1931, pp.318- 319).

23. In 1828 the Select Committee on Finance noted how "each department naturally endeavours to exalt its own importance, and wishes to promote its general efficiency; ... hence the desire to secure those objects rather than the exigency of the public service ..." (Referred to by the Howick Commission 1833, p. 109).

24. Sir Ian's comments were the distillation of years of experience in the British Army in the late 19th century.
According to one head of Treasury in the late 19th century, Goschen, the Treasury for its part gave as good as it received, there being a uniform and almost constant attitude of positive hostility in language taken up by various officers of the Treasury towards ... Military Officers generally (Quoted in Roseveare 1969, p.208).

In January 1900 Lord Salisbury, then Prime Minister, created a political furore with his comments on the Treasury and its relationship with the British Army. He alleged that the Treasury used its "power of the purse" to interfere in "all decisions of administrative authority and policy" which resulted in "much delay and many doubtful resolutions" (Quoted in Roseveare 1969, p.183; See also Churchill 1906, p. 180). In the case of the army, he concluded that "the exaggerated control of the Treasury has done harm" (Quoted in Roseveare 1969, p.184; See the Chancellor of the Exchequer's reply in Hicks Beach, 1932 Vol. 2 pp. 116-117). In his comments Lord Salisbury was also expressing the problems faced by his Secretary for War, the Earl of Midleton, who had found the Treasury "ruthless and dominant" (Midleton 1939, p. 123). Midleton found money was only prised from the Treasury by "unending struggle" (1939, p. 126). Robert Hamilton also referred to "perpetual" clashes with the Treasury (Hamilton to Gladstone 1865, in Wright

25. Roseveare argues the discordant posture adopted by the Treasury was out of impotence and thus spite, as much as anything (1969).

26. Sir John Brodrick, later the Earl of Midleton, served as Financial secretary to W.H. Smith and Stanhope from August 1886 to August 1892. He then assumed office as Under Secretary of State with responsibility for War Office business from July 1895 to October 1898. He became Secretary of State for War in November 1900 (to October 1903).
1969, p. 344). To avoid the struggle, as much as possible departments frequently asked for much more than they needed hoping to get what they required after their requests had been paired by the Treasury (Evidence of Sir Richard Hamilton before the "Royal Commission on Civil Establishments" 1887, Appendix p. 425). Arnold-Forster in the same year as Lord Salisbury made his announcement also denounced the Treasury as "that wicked department" which had nothing better to do than prevent "the War Office from following its own noble impulses" (1900, p. 100; see also Lord Haliburton's views in The Times 11 February 1900).

The adverse view of Treasury interference in the army's finances was also voiced much earlier than Salisbury and Arnold-Forster. The Civil Service Commission in 1886 indicated that the evidence taken

by the Commissioners affords abundant proof of the harm done, and the discontent caused, by the present unsatisfactory control in the hands of the Treasury (cited in the Quarterly Review Vol. 168, January to April 1889, p. 479).

The Contemporary Review in 1895 criticised the arrogance of the Chancellor of The Exchequer and Treasury heads who appeared to gain pleasure at making the army wait impatiently for financial approvals (Vol. LXVIII, July to December 1895, p. 331; See also The Nineteenth Century Vol. XXIV, July to December 1888, p. 113, Comments of E. Cecil, former Surveyor-General; Also Hart's comments on Sir Charles Trevelyan's long and bitter battles with the War Office as Chancellor of the Exchequer, 1960, p. 104). Lord Randolph Churchill in 1886 had also appreciated the need for greater
constraint over the Treasury, preferably through the Comptroller and Auditor General and the Public Accounts Committee (Churchill Vol II 1906, p. 151).

Contrary to more extreme views, Treasury control of Parliamentary votes was not unfettered but depended upon negative powers which came into effect only when the Treasury received an application to exceed a Parliamentary Vote. Thus, according to Lord Welby, in the absence of requests for more money Treasury control of military finance was more imaginary than real (Royal Commission on Civil Establishment 1887, First Report XIX, pp.1-9). Nevertheless, Welby later sought to commend the "needful control" of the Treasury ("Select Committee on National Expenditure", Appendix 13, 1902 p. 231). Far from having unlimited powers the response of the Treasury to demands to exceed Votes, according to Wright and Roseveare, was very much determined by a large number of factors, not the least of which was the esteem held in government for the Secretary of State for War and the prevailing political and economic climate (Wright 1972, p. 198; Roseveare 1969). This was seen no more clearly than in the case of Lord Randolph Churchill.

In 1886 when Lord Salisbury formed his second cabinet he appointed Lord Randolph Churchill Chancellor of the Exchequer. Churchill had long believed that Britain should curtail its military activities overseas, in particular in Turkey. He was therefore, as a staunch disciple of Gladstonian economics (though not of Gladstone), an energetic advocate of retrenchment in military expenditure (Lord Randolph Churchill to Lord Salisbury 22 December 1886, Quoted in Churchill 1906, p. 239). Under Lord Randolph Churchill Treasury
efforts to reduce military estimates came to a head in 1887. The Treasury as usual was presented with the Army's estimates and as frequently happened in the past sent them back to the Army with the request that the Army examine ways of reducing the estimates. In the past when reductions were called for and subsequently carried out Treasury wishes had more often than not received the backing of Parliament. In this instance however, not only did the Secretary of State for War, W.H. Smith, refuse to consider any reductions but when he appealed to Cabinet for adjudication on the matter Cabinet also refused to see the urgency for reductions (W.H. Smith to Lord Randolph Churchill 16 December 1886, in Churchill 1906, p., 230). Therefore Cabinet rejected Treasury recommendations.

Lord Randolph, relying on what he thought was public support for his position and that of the Treasury, sought to embarrass the Government and thereby reconcile it to his views and tendered his resignation (Lord Randolph Churchill to Lord Salisbury 20 and 22 December 1886, in Churchill 1906, pp. 235,239). Unfortunately, for Lord Randolph, he had seriously misjudged public sentiments at a time when colonial possessions had given Britain not only wealth but pre-eminence in world affairs, and when French and German interests were threatening this position\(^{27}\) (Fortnightly Review Vol. XLI New Series January to June 1887, pp. 150-155). His resignation was rapidly accepted by Lord Salisbury and Lord Randolph Churchill

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27. The threat had existed for some time, at least since 1884.
having learnt the lesson that Treasury intervention in military matters was tethered by Government support, passed into the political wilderness.

Despite incessant military complaints to the contrary, and notwithstanding ministerial pronouncements, the Dawkins Committee in 1901 was unable to find any substantive basis for the "exaggerated impression ... that Departmental Treasury control has been exerted to an extent and in a manner that has seriously hampered the administration, and efficiency of the Army": the Treasury had only ever carried out Parliament's wishes (p.188 of the Report). Lord Welby before the Ridley Commission (1887) had pre-empted these later findings when he referred to Treasury control as a "purely financial check instituted for purely financial purposes" (Quoted in Wright 1972, p.201).

5.7 CONCLUSION AND SUMMARY

The civilian finance officer saw his function as "imposing an external control on an unwilling (department) ... whose disposition to extravagance could only be curbed by heavy handed restraint" (Waldegrave 1931, p.259). Army finance therefore amounted to a "system of control of army expenditure" (Harris 1911, p.60; see also Gordon 1935, p.231). Little wonder the army conceived army finance as dominated by concern for criticism.

Such an anomalous situation could not but create serious difficulties and not solely because of communication problems caused by the organisational separation of command and administration. The
environment created was conducive to problems, in no small measure, because of the potential for personal conflict as well as the antagonism that was bound to be generated between the military, as a spending department, and civilians charged with the responsibility of overseeing expenditures. The paranoia of the army in these circumstances was not inconsiderable.

The military were, in the interests of military performance, content to give administration to specialists but only those from its own ranks and certainly never to civilians whose specialist knowledge of technical military matters was most doubtful. Parliament however, saw the partitioning of financial administration and command in constitutional and economic terms. Therefore conflicts of opinion and practice were inevitable.

Not only did civilians control all matters of military finance but the great majority of finance work was concentrated at the War Office. Therefore, of especial interest in the next chapter are the expressed implications for military efficiency and effectiveness of the highly centralised system of military financial administration operating between 1846 to 1899. Also examined is financial decentralisation as the favoured means both to overcome most, if not all, the professed deficiencies of extreme decentralisation and the means to ameliorate the antagonism between the military and civilians.

In the late 19th century however, anachronistic constitutional influences continued to dominate the structure of financial control and hamper moves for change.
CHAPTER 6

CENTRALISATION OF ARMY FINANCE

Your Commandant tells me that you show independence of judgement, willingness to accept responsibility, intelligence and self reliance. All of these drawbacks you will, in time learn to correct.

(Comments, according to Field Marshall Haig, of a distinguished Inspecting Officer addressing students at the Staff College in the 1890's.)
6.1 **INTRODUCTION**

Administration of army finance was highly centralised and tethered by the devices of control essential to, and instrumental in, centralised financial supervision. No administrative department, claimed Buxton in 1883, was more centralised (p.211). Centralisation had been a response both to Parliament's earlier constitutional misgivings and Parliament's mistrust of the military's financial honesty and financial acumen (see Field Marshall Lord Montgomery's comments in *The Times*, March 19, 1957, p.9; Evidence of Major-General Sir William Butler before the Brodrick Committee 1898, Question 1499, p.218). Consequently, a very inert system of financial checks and balances developed – culminating in improvements to government accounting in the second half of the 19th century – with one department authorising expenditure and another making expenditures (see Lord Palmerston's comments, 1828, as referred to in the *Edinburgh Review*, Vol. CXXXIII, January to April 1871 p. 237; also 1855, Vol. CI, p. 538).

Throughout the second half of the 19th century however, it became increasingly recognised\(^1\) that the highly centralised, exclusively civilian military finance function favoured by the British Parliament had become increasingly inappropriate. It was held that highly centralised financial control was incompatible with efficient military operations in the field and conducive to the delinquent dissipation of financial and other resources.

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\(^1\) Culminating in the financial recommendations of the Brodrick (1898), Dawkins (1901) and Esher (1904) Committees.
It is the task of this chapter to examine the arguments raised against the extreme centralisation of military finance as it existed in the second half of the 19th century in the British Army; to detail the avowed merits of the diffusion of financial responsibilities throughout the military; to determine pressures which were to eventually bring about financial decentralisation after 1900 and to discuss the means preferred in bringing about the decentralisation of army finance.

At the close of the period covered by this study the structure of financial control remained largely as it had been at the commencement of the period. To contrast the seeming imperturbable nature of army finance with other areas of administration the latter part of this chapter will detail the major episodes of administrative reform. In particular attention will focus on: the Cardwell reforms of 1870 which strengthened the civilian role in army finance; the recommendations of the Ridley Commission of 1887 which brought little change to military finance but did result in a concentration of military administration in the person of the Commander-in-Chief; the adjustments made to military administration in 1895 which again brought no improvement in military involvement in finance.

6.2 OBJECTIONS TO THE EXTREME CENTRALISATION OF MILITARY FINANCE

The most serious objections to a highly centralised military finance function were cogently expressed by the venerated military finance expert Sir Charles Harris who alluded to the
congestion of regulations and correspondence about details (which) ... submerges offices, multiplies routine clerks and absorbs the time and energy of men who ought to be free for constructive thought ... (There results) a paralysing effect on the whole race of officials who soon learn to think that their sole duty is to secure exact compliance with regulations or to submit to higher authority for a fresh ruling, with the result that their sense of responsibility and power to act for themselves suffer atrophy. On these lines work is done over and over again in the offices through which it passes on its way up to the centre (Sir Charles Harris 1931, p.320; also Durell 1917, p.258, p.475).

The Select Committee on Army Estimates had recognised in 1888 that to supervise too closely removed personal initiative and financial responsibility (see Questions 3068 and 5869-5877). Individuals cosseted by numerous financial regulations and guidelines could be induced to abrogate their sense of personal responsibility in preference to punctilious financial accountability, as demonstrated to an unfortunate and exaggerated degree in the Crimean War (see Chapter 2). The Contemporary Review lamented that "the soldiers do not feel it their duty to point out in what way the object can be gained with the least cost ..." (Contemporary Review Vol. LXVIII, July to December 1895, p. 332). Lamentable as this may have been, in a highly regulated environment attention tends to become focussed on details which have a direct personal impact rather than on overall or corporate goals. Consequently, to take any interest beyond immediate concerns is uncharacteristic of financial control devoid of reward for initiative.

In the context of war, as a major part of this study has demonstrated in relation to the Crimean War, a highly centralised system of financial control was both "futile ... and ruinous ..." (Esher Committee 1904, Part 3, paragraph 9). Control that is highly
centralised is intended to closely regulate subordinate action. Centralisation can, additionally, give rise to a multitude of obstacles and hazards not originally intended (see, for example, the Evidence of Sir Ralph Knox before the Brodrick Committee 1898, Question 1499, p.219). Thus, fluidity of operation is denied as the actions of subordinates are retarded by the control hurdles they must negotiate (see Bunbury 1924, p.132). There results a "maximum of friction with a minimum of efficiency" (Esher Committee 1904, Part 2, p.15 of the report); a consistent outcome of control mechanisms which measured performance not by results but instead by success in an intricate game of artificial hazards (or regulations) and forfeits having little connection with practical requirements or ends (Harris 1931, p.315).

Focalised control, such as that which characterised the finance departments of the War Office in the 19th century (Brodrick Commission 1898, p.127, paragraph 2), required some authority to accede to or deny requests presented by others lower in the hierarchy of control (Fortnightly Review Vol. CCLII, New Series, December 1887, p. 773):

First, there was a large expenditure of pens and ink ... One gentleman would write a minute upon any subject to a gentleman, his friend, in the next room, and after the repetition of the process the matter would at last get to the hands of the Secretary of State for War, who, (was then) advised by his financial friends, ... (Lord Wolseley, The Times, Saturday 21 May 1887).

This of necessity multiplied clerical and administrative labour, produced "reams of futile correspondence" and created frustrating and what can amount to, for an army, dangerous delay. The Select Committee on Army Estimates in 1888 scathingly criticised the overcentralisation of army finance for
It has been conclusively shown that the maintenance of the present large staff at the War Office is necessitated by the system now adopted of examining accounts with great and needless detail and repetition, several instances of the minute and superfluous detail which characterises the daily work of the War Office, will be found in the evidence. In one case an inquiry as to the expenditure of 42s. 7d. bore eight or nine signatures upon it ... ("Fifth Report from the Select Committee on Army Estimates" (1888))

According to one leading magazine at the time, such checks had well outlived their original purposes and now only served to ensure there were jobs for civilians in military finance (Fortnightly Review, Vol. CCLV, New Series, March 1888, p. 305).

Concentration of financial authority at the War Office was dangerous to the well being and performance of the army. An over abundance of detail and "interminable" written reports could not but help occupy the efforts and time of superiors, both civil and military, at the War Office² (see the Evidence of Field Marshall Lord Roberts before the Brodrick Committee 1898; Also see Quarterly Review, Vol. 193, January to April 1901, p. 192; Trevelyan to Hamilton 31 December 1858, in Hart 1960, p. 105). In these circumstances time for policy examination or consideration of broader military issues, time to rise above the quickening accumulation of mutinae and gain the breadth of understanding necessary for a successful and cohesive military programme was always at a premium (Dawkins Committee 1901, p.182; also James 1901, p.711; "Evidence before the Select Committee on Army Estimates" 1888, Fourth Report, Questions 5871 to 5873, 5886).

2. Cardwell's reform of the army had moved, the Horse Guards (the military) in 1871 from Whitehall to Pall Mall to be under the same roof as the civilians.
There was unfortunately, little encouragement that the present system would change in principle. While ever "you have a questioning House of Commons you cannot get rid of returns", concluded General Sir Evelyn Wood, "you must always be prepared for them" (Evidence before the Brodrick Committee 1898, Question 1090, p.200). The demands of Parliament were ever to be the sole arbiter of what was sufficient or excessive (see "Evidence before the Select Committee on Army Estimates" 1888, Fourth Report, Question 4884, p.74). The Dawkins Committee recognised that persistent and possibly mischevious Parliamentary demands for financial details, which reinforced the need for a centralised financial department where information was concentrated and could be assembled more quickly, were excessive ("Report of the Committee on War Office Reorganisation", 1901, Vol. XL, p. 2 of the report).

Reference to undesirable military repercussions flowing from centralised financial administration was made well before the Esher Committee so scathingly criticised the system in 1904 (for example, see the Howick Commission 1837; Northbrook Committee 3rd Report 1870, p. xiii). The Edinburgh Review in 1896 saw a number of evils flowing from "intolerable centralisations": it destroyed initiative, rendered "incompetence undiscoverable" and "strangled progress" (Vol. CLXXXIII, January to April, pp. 185, 203; See also Contemporary Review, Vol. LXVIII, July to December 1895, p. 330; Fortnightly Review, No. CCLI, New Series, November 1887, pp. 628, 630). Buxton in 1883 (pp. 212-213) saw excessive centralisation of finance as the single greatest impediment to an efficient and effective army. Pursuing the point, he argued, and the Brodrick
Committee later agreed, that much of the work carried out by the central administration could and should be done at the headquarters of districts or corps who would certainly do the work better and faster (p.61; see also Florence Nightingale's assessment of the War Office in Gordon 1935, p.53; Brodrick Committee, Final Report 1898, p.132). Not only would the work be done better, argued Buxton, but also costs would be lower as officials in subordinate centres could thoroughly work through all matters and only send the "sifted form" to the central office (p.162 and p.213; also Esher Committee 1904 Part 2, p.17 of the Report). The great bulk of petty and distracting detail which could be thereby eliminated would allow more time and effort to be devoted to more important strategic matters (see the Brodrick Committee 1898, p. 130, para 9 of the Report). To hasten the process the Brodrick Committee recommended that over 105 army returns and reports be either modified or abolished (listed in the Final Report 1898, p.132, para.3).

Every small outlay gave rise to an "epistolary struggle" between the civilians and the military (see Amery Vol. 2 1902, p. 4). So extreme was the centralisation of army finance that the loss of one library book or the purchase of a door mat was sufficient excuse to launch a full report on its way to the Finance Department at the War Office (Queens' Regulations, Section IX, para.43, Quoted by the Brodrick Committee 1898, p.xvi; Evidence of Sir Ralph Knox before the Brodrick Committee 1898, Question 1503, p.219). Absurdities such as these prompted James in 1901 to refer to the British Officer as "a return-making animal" and as "an overworked accountant" (p.711).
Major-General Hutton in 1903 severely censured the grossly over centralised system of financial control under which the British Army had been expected to operate for so long. It was obvious to him that the most deleterious consequence of such a system was the denial of financial responsibility to subordinates, the ability to judge financial aspects and consequences of an administrative action and to take the necessary action. Without this capacity Hutton, and later General Sir Ian Hamilton, saw that there would be the absence of careful attention to expenditure, with both economy and military efficiency suffering (Commonwealth Parliamentary Papers, Vol.II, 1903, p.83; see also the comments of Fortnightly Review, Vol. CCLV, New Series, March 1888, p. 327). Hamilton, drawing on over 40 years experience in the British Army throughout the world, was also keenly aware of this unenviable paradox created by centralising financial control.

Financial control which emanated from a central department, or authority, had to rely upon clearly designated individual responsibilities and minute regulations (Brodrick Committee 1898, p.127), the extreme elaboration of which the Dawkins Committee blamed on the increasingly suffocating pace of centralisation (1901, p.188). Financial regulations were meant to narrow a subordinate's 'area of discretion', to constrain him and draw his attention to the expectations of superiors. Financial regulations, as determined by the Finance Department at the War Office and the Treasury, were favoured as the practical expression of accumulated wisdom and experience and were therefore supposed to facilitate decision making by the military man on the spot (see Question 951 of the Brodrick
Committee 1898, p. 194). Regulations\(^3\) not only spell out obligations but because formal regulations are regarded as the end product of long deliberations, the obligations they detail assume an added dimension to their authority; they are taken as definitive. Exhaustive financial regulation had long been held, despite evidence to the contrary,\(^4\) as the best way to produce and ensure responsible financial administration in terms of economic management and efficient military operations. However, as Hamilton saw clearly, centralised financial administration while it made individuals sensitive to the importance of records and documentation and the need to meet the requirements of regulations, produced an increasing unwillingness on the part of the officers to act on their own responsibility ... (So that) in the course of time, the spirit of initiative throughout the army may suffer. Hence ... the most frightful cause of disaster in time of war - namely, the collapse of the officer trained for many years to be frightened to death of a sixpence when he is suddenly called upon to decide on a matter in which thousands of pounds may be involved (Commonwealth Parliamentary Papers Vol. II 1914, pp. 149-150; also Lawrence Committee 1924, p. 715; Esher Committee 1904, Part 2, p. 9 of the report).

Officers became "afraid of their own shadows in administrative matters, and dare not incur the smallest expenditure, even for the purpose of saving money ..." (Fortnightly Review Vol. CCLII, New Series December 1887, p. 773). The Post World War I Army Cost Accounting Committee also alluded to the deception created

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3. So great and preposterous in number had army regulations become by the end of the 19th century that, according to Major-General William Butler, the cost of printing them was almost as much as the cost of maintaining an infantry brigade (Evidence before the Brodrick Committee 1898, Question 1515, p. 219).

4. e.g. The Crimean War.
under the present system of accounting (where) ... attempt is made to secure economy by regulations which are admittedly voluminous ... and 'excessively complex and minute' ... (The) present methods and regulations cause an infinity of trouble and entail constant reference to higher authority while affording ... no record of Stewardship ... with which to prove economical management (Notes on Cost Accounting 1918, Section I, para.15).

Officers outside the Army Pay Corps were not permitted to sanction, in peace, funeral expenses over £2, repairs to clothing which exceeded 3s.6d. for each garment or cab fares over 1s.2d. Yet in war they might be responsible for very considerable expenditures 5.

While carrying out his duties as a member of the Pay Corps, Lieut. Colonel Churchill was allowed in war to let out, in one instance and on his own authority, contracts for £35,000. During peace however, he could not pay out, without direct approval from the War Office, anything in excess of £100 (Evidence before the Brodrick Committee 1898, p.175, Questions 492 and 511). Churchill, fortunately, was able to meet the financial demands of war despite the absence of any determined preparation in peace.

Concentration of financial control in the hands of civilians, as characterised the British Army in the 19th century, not only robbed military officers of the opportunities and training needed to flex their muscles of financial initiative and innovation but was also ultimately very expensive (see Esher Committee 1904, Part II, p.16 of the report; Grimwood 1919 May, p.157; Evidence of Lieut. Colonel Churchill before the Brodrick Committee 1898, p.176, Question 522; Brodrick Committee, p.130, paragraph 14). It was unrealistic and unreasonable, announced the critics of highly

5. This was particularly so towards the end of the 19th century.
centralised financial control, to expect officers (such as Lieut. Churchill) denied financial responsibility in the relative calm of peace and who were stifled by a prodigious number of regulations, to know how to handle large sums of money in the tumult of war (Fortnightly Review, Vol. CCLII, New Series, December 1887, p. 773):
"we tie up in tight folds, during peace, the limbs of ... officials ... When war comes, the bonds are suddenly cast off" (Edinburgh Review, Vol. CLXI, January to April 1885, p. 211). Not only was the military officer inexperienced in handling public money but, with a few exceptions, overwhelmingly deficient in skills essential to accounting for public funds (see Furse 1894, p.95). Calls for officer training to include the study of army finance and accounting however, were not wanting (see Churchill 1895, p.36; Furse 1894, pp.95-96; Evidence of Field Marshall Lord Roberts before the Brodrick Committee 1898, Question 170, p.164). By the time of the South African War in 1899 however, little had improved in this regard (Evidence of Lieut. Colonel Churchill before the Brodrick Committee 1898, pp.175-181; Amery, Vol.VI, 1907, p.621).

Certainly, the Esher Committee readily agreed, by

insuring a rigid adherence to elaborate regulations, the Finance Department doubtless effects small savings, but does not and cannot receive real economy ... The theory that military officers of all ranks are by the fact of wearing a uniform, shorn of all business instincts has inevitably tended to induce laxity which it is supposed to prevent ... There can be no doubt that in proportion as officers are accustomed to financial responsibilities the economy which they alone can secure will be effected (Quoted by Sir Ian Hamilton, Commonwealth Parliamentary Papers Vol.II, 1903, p.150).

6. Officer training had followed the same rigid, and largely outmoded pattern throughout the 19th century. Training typically included: Mathematics, geometry, drawing, surveying, horsemanship, artillery, French, German, History, Geography, Chemistry, Geology, Astronomy, Natural History (Blackwood's Edinburgh Magazine, November 1857, pp. 576-577).
Two years before the Esher Committee delivered its findings the Public Accounts Committee roundly condemned the shortsightedness of and profligate extravagance engendered by the extremely centralised financial administration of the British Army. No improvement could be expected, offered the Committee, until officers experienced in local audit and taking of supplies on charge are sent out to accompany troops on the march ... (it is clear) no such supply officer now exists ... ("Fourth Report of the Public Accounts Committee" 1902, p.51).

Waste was not the only consequence of undernourishing the military officers' financial skills. Understandably during war those individuals with their new financial responsibilities thrust upon them became cautious and indecisive. In an organisation obsessed with personal accountability when it came to public money, seizing the financial initiative was to be placed under what appeared to be the capricious mercy of financial administrators. Under these conditions the supply of the army, which unavoidably depends on a very efficient army chest, could only suffer (see paragraph 52 of the Memorandum on the Civil Administration of the British Army by Sir C. Trevelyan 1855 as reproduced by the Strathnairn Committee 1867, p.286; also Question 2684 of the Evidence before the Strathairn Committee). So important was an efficient system of military finance to the military effort that Dundas wrote that "all modern wars are a contention of the purse" (Dundas to Pitt, 9th July 1794, quoted in Rose 1914, p.271). According to Le Mesurier finance held the army together, it was the 'sinews' of war (1796, Part X, as reproduced in Glover 1963, p.280; see also Churchill 1895, pp.36-37; Evidence of Churchill before the Brodrick Committee 1898, Question 520, p.176; Ormsby 1921, p. 842;
6.3 THE INDUCED BEHAVIOURAL RIGIDITY OF CENTRALISATION

By being responsible for financial inputs i.e. money received as voted by Parliament, rather than outputs or performance, and excluded from all financial deliberations, the military were encouraged to overstate their financial requirements, despite virement. After all, requests were vetted by so many civilian officials in the War Office (see, for example, Regulations for the Commissariat and Transport Staff, 1881, Section I, subsection I, paragraph 17) and therefore the probability of receiving exactly the amounts sought would be very slender. Once the request was authorised by a superior the greater part of the responsibility for the request was removed upwards. If superiors agreed to financial demands presented then this signalled their agreement with the way the resources were to be used. If the resources, while they may be accounted for to the last penny, were used wastefully and for little purpose the responsibility must lodge only in part with those who utilise the resources and in part with those who sanctioned their use for those purposes. This separation of administration and finance was, according to the Contemporary Review, a "folly and wasteful" (Vol. LXVIII July to December 1895, p. 332).

Centralisation of financial authority and control therefore became the parent of most undesirable offspring; waste and inefficiency, and what is more serious for the army the potential for ineffectiveness in battle (Esher Committee 1904, part 2, p.15 of
the report; also Evidence of Lieut. Churchill before the Brodrick Committee 1898, Question 525, p.176, Quarterly Review Vol. 193 January to April 1901, p. 191). Denying subordinates financial responsibility and suffocating their initiative and enterprise with a numbing array of regulations encouraged subordinates in the military to divorce themselves from the responsibility for their actions: "it is better to lose £100 strictly according to regulation, then to save £100 by the exercise of independent judgement" parodied Sir Ralph Knox7 (Evidence before the Brodrick Committee 1898, Question 1503, p.219).

Because accounts and financial reports were more often than not employed in a punitive fashion, as a means to bolster central control, the government and its departments were forced to rely on rigid control by regulation (see Buxton 1883, pp.206-212). In matters of professional technique this amounted to, assures Sir John Keane,

the non professional telling the professional how best to do his job. Present control therefore takes somewhat this form: 'You must do it this way whatever the conditions' instead of 'You do it the best way your knowledge and experience suggests and be judged by results' ... (With) the present form of accounts no other control is possible (Chairman's closing address to the Lecture by Grimwood May 1919, p.158; see also the Lawrence Committee 1924, p.714).

Inflexibility, obstinately enforcing and adhering to regulations governing expenditure was, stressed Harris, more likely to be counterproductive to economy. Drawing on his own wealth of experience Harris indicates that extravagant waste was common in

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7. Sir Ralph Knox was Under-Secretary of State for War in 1897 (see Biddulph's comments 1904, p. 56).
military expenditure despite Herculean attempts to prevent it occurring. Financial regulations which amounted to a steady stream of centralised negations took "all the faculty of contrivance... out of the minds of officers" (1924, p.133; Contemporary Review Vol. LXVIII, July to December 1895, p. 332). Little or no room, as intended, was left to officers to make financial decisions independent of financial regulations. The assumption under the circumstances was that there was always a financial regulation to cover every situation. Independent evaluation of circumstances was irrelevant and too uncertain. Detailed financial regulations were however, more certain. The Secretary of State for War in his evidence before the 1892 Public Accounts Committee was openly hostile to the existing system of financial control which persistently attempted to force the administration of the Army into mechanical consistency with minute rules which... involve perpetual reference to the Treasury on petty matters... Such a system is not likely to lead to either economy or efficiency (Quoted in Chubb 1952, p.72).

Pedantic discipleship to financial regulations which worked "through a system of cash accounts" (Lawrence Committee 1924, p.714), created a false sense of security. It gave the impression all was well with the Army and its readiness for war (Chubb 1952, p.72; Durell 1917, pp.474, 478). It was only when the strains on both financial and military systems were increased, as during war, that the inherent defects of the system made themselves apparent and then in the worst possible ways (Lawrence Committee 1924, p.714; see Chapter 2).

Subordinates could always plead, in absence of evidence to the contrary, that no matter what the military results they were merely following the painfully detailed instructions laid down for them.
Certainly anyone entrusted with materials and/or money was required to be accountable. Their accountability began and ended however, with a careful rendition of the destination or location of what had once been in, or was at present in, their trust through the seemingly endless reports and returns required by the regulations which emanated from the civilian finance department at the War Office. The results of the use of resources was not of consequence to the responsible official, he was assessed on the basis of 'inputs' not the outputs related to those inputs. The where and when, not the how or why of resource utilisation were the concern of the subordinate.

6.4 THE MERITS OF DECENTRALISED FINANCIAL ADMINISTRATION

Coincident with major organisational changes introduced in the British Army by Cardwell the Northbrook Committee (1869) urged Parliament to re-examine the organisation of military finance. Accordingly, the Committee stressed that it was time Parliament recognised the military inappropriateness of a system of financial control which performed only the mean functions of check and criticism. Economy and military efficiency under the then present system, argued the Committee, became two resentful rivals, neither of which would ever be fully satisfied. The Committee therefore pointed the way to a "higher" and "larger" function for military finance centred on financial initiative for military personnel (1869, First Report, p.3).
Initiative and independent thought, more important than ever in modern war, were however, the concomitant outcomes of a system of financial control which was decentralised and which encouraged the assumption of responsibility (see the Esher Committee 1904, Part 2, p.9 of the report; Rankin 1901, p. 61). Unfortunately for the British Army opportunity for the development of these qualities was almost entirely absent. It was, as Buxton remarked, a severe "shortcoming in the training of British Officers" (1883, p.67). Although a shortcoming it was not abnormal in the military profession. The British Army valued loyalty and almost blind obedience above all else and judged actions according to the readiness and willingness with which orders or directions were implemented (see Huntington 1972, p.73). The Chancellor of the Exchequer, Sir Charles Trevelyan, was unable to bring to mind "any class of men who were more distinguished for exact obedience to orders than the ... officers of the army; they are sure to do what they are told to do" (Evidence before the Strathnairn Committee 1867, Question 2643, p.204). Unfettered self will and initiative were not easily accommodated in the military in the 19th century (see Mortimer Merpes 1899 as quoted in Fuller 1935, p. 101). Indeed the old die-hards of military discipline saw initiative and discipline as mutually exclusive military qualities (The Contemporary Review December 1886, p. 769). Army discipline was submergent of individuality which meant that initiative was sacrificed in preference for predictability and conformity. Mediocrity was exalted while "genius and talent" were "demons to be
exorcised" (General Fuller 1935, p. 16; see also Captain Slocum 1899, quoted in Amery Vol. 2, 1902 p. 34). Not until the early 20th century and after the promptings of the Esher Committee (1904), which had revisited the findings of the much earlier Northbrook Committee (1869), was it firmly appreciated in Parliament and military administration that economy and efficiency were directly proportional to the decentralisation of responsibility and the co-ordination of the separate parts of an organisation in pursuit of common objectives (see the Field Service Regulations for the British Army Part II, 1909, pp.22-23; Brunker 1909, p.2; Esher Committee 1904, Part 2, p.10 of the Report; Northbrook Committee 1869, First Report p.3).

Sir Charles Harris was prominent amongst a growing number who advocated that accounting reports based on objects of expenditure were the proper vehicle for encouraging financial initiative and financial responsibility and therefore more efficient and effective financial control (also see Lord Haliburton's comments before the Hartington Commission 1890 as cited in Hewgill 1980, p.2). Harris sought a system of responsibility accounting which would give officers not only the authority but the responsibility to decide "how, when, where and to what effect resources were to be used"8 (Evidence before the Sub-Committee on the Form of Public Accounts, Select Committee on National Expenditure 1918, Questions 220 and 248). Churchill went so far as say the more of these types of accounts there were the better the military would be served.

8. He was however, opposed to extending to peacetime the great flexibility in finance given to officers in war (1911, p.75).
Accounts of this nature, as later argued Colonel Sir John Keane, enabled responsibility to be delegated to those subordinates who know the details and who alone can adjust them to actual requirements. By means of the account you can allow a free hand and judge by results. The delegation of power which ... accounting makes possible develops those invaluable human qualities of enterprise and resource (Chairman's concluding address to Grimwood's lecture May 1919, p.158; see also Dicksee's comments on accounts 1915, p.43).

It was recognised at the time that accounts would never work in the interests of economy while ever there existed the multitude of financial regulations and the accounts were directed towards 'the subjects' of spending or broad administrative headings (see Section 4.5, pp.126-127). These two characteristics of military finance would continue to strangle initiative. The Hartington Committee in 1865 had, without much effect, alluded to the unnecessary work created in the Accountant-General's Department by the overwhelming number of financial regulations and their absence of system, scattered as they were "throughout numerous circulars and regulations" (p.615). Financial regulations and the ponderous reports they produced had to be reduced if the army's financial administration was ever to be decentralised, suggested the Dawkins Committee, and their place taken by evaluation of results and control by inspection (see the Evidence of Lieut.-Colonel Kitson before the Brodrick Committee 1898). Inspection, according to the Committee had the two-fold advantage of performance evaluation based on results which would in turn ensure money was well spent because
of the emphasis in inspection on outputs or results (p.203).

Consideration of the financial dimension of military decisions under a system of financial control as proposed by the Esher and Dawkins Committees was thought more likely to develop into an instinctive reaction and not simply remain the unwelcome direction of a bullying financial authority. To sustain occasional mistakes under such a system, recommended the Dawkins Committee, was far more preferable "than ... a machine-like system" which could only "destroy the sense of responsibility and check all inducement to economy" (1901, p.130 para.14).

6.5 LIMITS TO DECENTRALISATION

The arguments for decentralisation did not imply that every decision and every process be moved down and out through the army's organisation. Nor was it suggested in the case of the army that it was desirable or possible to do so. The army's essential goal of putting a victorious fighting force in the field guarantees, on balance, that financial control will be more centralised than decentralised (see Downey 1977, p.57). For example, Percival argued that responsibility for supply should be centralised, allowing that some decentralisation is still necessary (1912, p.199). Harris, while a staunch advocate of decentralising financial authority, was also realistic and experienced enough to acknowledge that the army's central financial departments would never wither away. Even though decentralisation of the finance function of the War Office may be most attractive and "however decentralised the actual spending of the money may be the money spent ultimately centralises itself in
the columns of the War Office ledger" (1911, p.63; also the Lawrence Committee 1924, p.713).

The incessant movement of units of the army between home and overseas possessions also precluded extensive decentralisation of financial authority⁹ (Buxton 1883, p.213; also Dawkins Committee 1901, p.199; Major General Ellison, Notes on Cost Accounting: Addresses and Explanatory Notes 1918, p.7; Fortnightly Review Vol. CCLV, New Series March 1888, p. 310). With regiments continually moving in and out of districts the regiments would never be permanently subordinated to one particular district and thus there would be no contiguous financial control (Buxton 1883, pp.62-63).

Ultimately the issue of decentralising financial authority was a constitutional matter. Parliament originally centralised finance in the War Office not for reasons related to the performance of the army in the field but simply to ensure the legality and regularity with which Votes were administered. Decentralisation ushered in new motives of financial control, those of military efficiency, economy and success, which up to the end of the 19th century had never received serious consideration as consequences of military financial policy. Successive Parliaments found it also extremely difficult to grasp that latitude in army finance was not equivalent to laxity and lassitude. Parliament therefore continued to resist reform in the structure of military finance despite the dramatic changes made in other areas of military administration in the closing decades of the 19th century.

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⁹ Operational authority would, of course, be rarely decentralised: the actions of a unit of the British Army in one area could have the severest repercussions for all the army. Officers were never accorded the right to make decisions of policy, that was the Government's responsibility.
The following section outlines the major changes in military administration in the period of this study primarily to demonstrate, in the face of great administrative innovations, the intractability of Parliament in military finance. Discussion also shows how greater administrative freedom for the military seemed to have the paradoxical effect of accentuating their financial impotence and thereby increase their resentment of the structure of financial control.

6.6 ADMINISTRATIVE REFORM AND FINANCE: THE EBB AND FLOW OF DECENTRALISED ADMINISTRATION

Despite both covert and overt opposition and contrary to Campbell-Bannerman's cynical remark that the military policy of most Victorian War Ministers, in deference to the Queen's wishes,\textsuperscript{10} was to "leave the old Army alone and don't make war" (cited in Blake 1978, p.29), between 1854 and 1899 there were two significant

\textsuperscript{10} Queen Victoria had written during the Crimean War that she considered authority over the army as one of her "dearest prerogatives" (cited in Sweetman 1971 b, p.232; see also Woodham-Smith 1977, p.149). The Army was "constantly in her thoughts as is everything connected with her beloved troops ..." (Queen Victoria to Lord Panmure, March 5, 1855, Panmure Papers 1908, p. 126). Indeed, so concerned was the Queen and so detailed her knowledge of military matters that Lord Panmure wrote to Lord Raglan, "you never saw anybody so entirely taken up with military affairs as she is" (March 26, 1855, Panmure Papers 1908, p. 126). According to Raudzens the Queen's attachment to the Army was far from merely just sentimentalism but instead the influence of the Crown in the Army was seen as a means to balance the British Constitution (1979, p.88).
attempts at, and numerous investigations into, re-organising army administration. (See The Nineteenth Century, Vol. XXIV, July to December 1888, p. 107-109). The Esher Committee noted with dismay that investigations of army administration had been, unfortunately, so numerous and so frequent that stability of administration has never been attained ... no public department has been so frequently examined or so scathingly criticised by Commissions and Committees ... (1904 Part I, p.8 of the report).

Between 1859-71, reflecting the Nation's mood and the cyclical nature of political interest in the military, the War Office had come under the scrutiny of 17 Royal Commissions, 18 Select Committees, 19 Committees of Officers within the War Office and 35 Committees of Military Officers (Fortescue 1930, p.554; Edinburgh Review, January to April 1871, Vol. CXXXIII p. 208; Quarterly Review, Vol. 131, July to October 1871, p. 543; Westminster Review, January to April 1860, p. 423; Biddulph 1904, p. x; see also Barnett 1970, p.334). The absurdly numerous inquiries, paradoxically, were more accurately an indication of the superficiality with which successive Parliaments continued to treat the army and Parliament's lethargic indifference to substantial change (Fortnightly Review, Vol. CCXCIV, New Series, 1 June 1891, p. 870; Amery Vol. 2, 1902, p. 45). The majority of the reforms introduced were predominantly cosmetic; they were "always going to settle everything" but improved and settled little (Saturday Review, 18 February, 1888, p. 183; Nineteenth Century, Vol. XXX, July to December 1891, p. 7; Quarterly Review, Vol 129, July to October 1870, p. 275).
The most outstanding feature which characterised all the major reforms in military administration, and which weaves between and through successive inquiries, was the ultimate control (in 1895) by the army of its administrative departments, with the exception of one: to the very last finance remained outside military control. The Director of Army contracts, Mr. Evan Nepean, in 1888 informed the Select Committee on Army Estimates that recent reforms had not in any way altered existing financial control arrangements (Question 6444). The trend towards greater military control in administration was however, also greeted with increasing distrust and unease (see Lord Salisbury to Hicks Beach in Hicks Beach 1932, p. 153). The Ridley Commission was worried that the various departments appeared to be escaping independent financial control (1887, p. xxiii of the report).

By 1899 the military's involvement in its own administration was checked only by the financial examination and superintendence of the civilians in the War Office and by Parliamentary authority as exercised through bodies such as the Treasury and the Exchequer and Audit Department (see Administrator 1900, p. 360; The War in South Africa pp. 609-610). Lord Haliburton summed up the legacy of military administrative reform and continued dissatisfaction by comparing administration prior to 1855 when "civilians initiated, controlled, conducted, accounted for and audited Army expenditure", to the end of the century when "Army expenditure is initiated,

11. Appearing before the Select Committee on Military Organisation in 1860 Lord Gray affirmed the need for the House of Commons to exercise "a great control over the administration of the Army. It cannot be called on to provide for the expense of the Army without inquiring in what manner the money granted is applied" (Question 5314 of the evidence, p. xix).
controlled, conducted and accounted for by soldiers". However, notes Lord Haliburton in an injured tone, even these extensive powers are considered insufficient. It is frequently urged that the Accounts Branch (including Audit) of the War Office ... still under civilian control, should be made subordinate to the military ... (Quoted in Atlay 1909, p. 258).

6.6.1 Cardwell's Administrative Reform of 1870

6.6.1.1 Aims of Reform in 1870

The first significant attempt at financial reorganisation after the tumult of administrative changes during the Crimean War was in 1869 when the Northbrook Committee was appointed by Cardwell to examine the "Conduct of business in the War Office". More specifically the Committee's mandate was to examine financial supervision at the War Office with the view to making it both more efficient and to "simplify it to the highest degree". Guiding Cardwell's reform of the army was also the desire to reduce military spending; not however, at the expense of efficiency (see Biddulph 1904, pp. 17, 24). Lord Cardwell's administration as Secretary of State for War (1868-1874) marked, contends Captain Striedinger, "The true re-organisation of the army ... and all subsequent progress which is likely to last is based on Lord Cardwell's ideas" (1909, p.195; see also Gordon 1935, pp.57-68).

12. See Chapter 2 for a discussion of the major administrative changes during the Crimean War.

13. Lord Wolseley remarked how: "Never was a Minister in my time more generally hated by the Army" (Quoted in Wilson 1973, p. 49).

14. See Table 1 on p. 198 for the organisation of military administration after Cardwell's reforms.
"chaotic military administration" (Sir James Graham 1860, Cited in Bond 1961, p.617) Cardwell created a system of orderly control over the army and placed financial administration and army expenditure on a more rational basis (see Striedinger 1909, p.211,\textsuperscript{15}).

6.6.1.2 The Reorganisation of 1870

The Northbrook Committee had recommended that a Financial Secretary be appointed and the War Office be amalgamated with the Horse Guards.\textsuperscript{16} The War Office was also to be divided into three

\textsuperscript{15} The military were, after Cardwell's work, unambiguously subordinate to the political executive. By making the Secretary of State for War the constitutional head of the Army the army was no longer a Royal Army but a Parliamentary army. This was by far Cardwell's greatest achievement (Griffiths 1900, p. 218). The Duke of Cambridge as Commander-in-Chief had recognised the supremacy of the civilian through the Secretary of State for War a decade before in evidence before the Select Committee on Military Organisation (1860, Questions 4105, 6369). Undoubtedly, the most powerful impetuses to Cardwell's work were the Franco-Prussian War (1870) and the collapse of France, as well as Prussia's successes in 1864 and 1866, which had demonstrated the merits of detailed preparation in peace and made it clear that armies could only be improvised at great risk (see Howard 1978, p.19; Bond 1961, p. 619; Also the Earl of Midleton (Brodrick) 1939, p. 80; Edinburgh Review October 1900, p. 272; Edinburgh Review 1875, p. 537).

\textsuperscript{16} This had been recommended in 1828 by a government finance committee but had been strenuously opposed by civilians and the Duke of Wellington, who feared the domination of civilians and the loss of independent constitutional check by having the powerful military in such close proximity (Quarterly Review Vol. 129, July to October 1870, p. 262). The Select Committee on Military Organisation [(1860, Vol. XXII, p. xx1] also referred to the advantages of amalgamating the Horse Guards and the War Office.
branches: a military department, a supply and ordnance department and a financial department (Third Report, p. x), as shown below.

Table 1

ORGANISATION OF THE
BRITISH ARMY SUBSEQUENT TO ORDER
IN COUNCIL JUNE 23, 1870

<table>
<thead>
<tr>
<th>Secretary of State for War</th>
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<tbody>
<tr>
<td>Commander-in-Chief (Command)</td>
</tr>
<tr>
<td>Civilian Surveyor-General</td>
</tr>
<tr>
<td>Civilian Financial Secretary</td>
</tr>
</tbody>
</table>

The military department was to be concerned with "military questions of a political nature" ("Comments of the Royal Commission on Warlike Stores" 1887, p.viii). The head of this department, the Commander-in-Chief, remained in charge of combatant personnel of the regular forces, by Order in Council June 23rd 1870. By the same Order in Council the office of Surveyor-General of the Ordnance was created and was charged with "providing, holding and issuing to the Army ... food, forage, fuel and light, clothes ... munitions ... exercising strict control over the expenditure of such supplies" (Hartington Commission 1890, p.xix). Referring to the supply recommendations of Lord Northbrook's Committee, Alison in 1869 optimistically and misguidedly praised the proposals that will "unite under one head all the numerous, costly, semi-hostile, and independent branches of the great supply and administrative departments for
it will introduce an order, economy, promptitude, and simplicity hitherto unknown to our military administration ... (and eradicate the) perpetual confusion, obstruction, and reference on the most trivial points to headquarters ... The numerous supply branches of the army will, for the first time, be worked in unison, on one principle and with one object (1869, p. 53).

Not everyone was as certain as Alison about the success of the new arrangements. The Edinburgh Review received the creation of the office of Surveyor-General with great scepticism (Vol. CXXXIII, January to April 1871, p. 237).

6.6.1.3 The Accountant-General and the Financial Department after the 1870 Reforms

The supervision of all cash transactions was now the responsibility of the Financial Department at the War Office, headed by the Financial Secretary. The Financial Department received and disbursed all sums payable and receivable and supervised, with the exception of the Surveyor-General's Department, army accounts. The Financial Secretary, like the Surveyor-General of Ordnance, was a member of Parliament chosen normally because of demonstrated business ability. As well as control over cash the Financial Secretary and his department were also charged with: review of expenditure proposed in annual estimates and the compilation of estimates, financial review of proposals for new expenditure, control of manufacturing departments of the army and supervision of contracts, and advising the Secretary of State for War on all financial matters (Northbrook Committee 1870, Third Report, p. xxi; see Striedinger 1904, pp.202-203). Thus the Secretary of State was in a position to control the efficiency of the army and the economy of its administration.

17. See page 201.
Prior to the Cardwell reforms\(^\text{18}\) all ordinary routine of military accounts devolved upon the Accountant-General, the Financial Secretary’s chief assistant and head of the Finance Department at the War Office, the Deputy Accountant-General and the Assistant Accountant-General (Evidence of Ralph Knox, Accountant-General, before the Ridley Commission 1887, Questions 852, 885). After the 1870 reforms the Accountant-General however, had no authority to account for the Surveyor-General’s votes and “the whole of the store accounts (of the Surveyor-General) are exempt from his examinations” (Hartington Commission 1890, p.101; see also Buxton 1883, pp.11-63; First Report from the Select Committee on Army and Navy Estimates 1887, p. xxii of the report and Questions 791-792). Any accounts related to the activities of the Surveyor-General, if they found their way to the Accountant-General were weeded out and passed on to the Surveyor-General whose department was responsible for examining the accounts (Evidence of Ralph Knox before the Ridley Commission 1887, Questions 869, 1026, 1028). Due to the notoriously short stay of most Surveyors-General (being Parliamentary Officers) Nepean, as Director of Army Contracts, questioned whether any accounts were adequately examined in these circumstances (Evidence before the Ridley Commission 1887, Question 1312).

\(^{18}\) The most contentious and antagonistic reform implemented by Cardwell in 1871 was the abolition of the purchase system of army commissions. Opposition both inside and outside the House of Commons claimed that such a move was constitutionally dangerous for they could see disappearing what was considered to be one of the greatest safeguards against a truculent army. The purchase system, rife as it was with deficiencies (see the Chapter on the Crimean War) had one great advantage; it was officered and lead by the same class that governed and owned most of the country. Danger of an army coup was therefore thought to be lessened under the purchase system for army commissions (See Wellington’s "Memorandum of Military Government" in Moyse-Bartlett 1974, p. 228).
In 1887, Sir William Ridley's Commission into the Civil Departments of the War Office pointed out the anomaly which existed with the Surveyor-General's accounts and the necessity of bringing all military departments under control of the Financial Secretary (pp. xxii and xxiii of the first report; See also "First Report of the Royal Commission into Civilian Establishments 1887", p. ix; Hartington Commission 1890, p.xx).

Thus, after the implementation of the Ridley Commission's recommendations in 1887 the Accountant-General was to have the power to follow the appropriation for all moneys and verify all balances whether of cash or stores; moreover, he must have the right to ask, and power to obtain from the various professional and executive officers, all information necessary to enable him to lay before the Financial Secretary a complete review and criticism of all proposals ("First Report of the Royal Commission into Civil Establishments", Vol. XIX, 1887, p. xxi).

The Accountant-General's department, the Finance Department at the War Office, was divided along the following lines:

1. Accountant-General.
2. Deputy Accountant-General.
3. Assistant Accountant-General.
4. Officers Pay Sub-division.
5. Non Commissioned Officers and Mens Pay Sub-division.
6. Examining Sub Division - Examination of paymaster and agents accounts.
7. Computing Section - Computation (Checking) of Vouchers and Accounting for Accuracy.
8. Auxillary Forces Accounts Sub-division - Financial consideration of questions related to and examination of accounts Army Reserve, Militia, Volunteers.
9. Supply Service Sub-division - Financial consideration of proposals connected with provisions, forage, fuel and light. Purchase of horses. Examination of accounts and contractors claims for these services including correspondence as to the interpretation of existing
regulations and appeals against disallowances in the accounts.


13. Land and Sea Transport Subdivisions - Financial consideration of proposals connected with Field Allowances and transport of troops by sea and land. Examination of claims and accounts for these services.

14. Works and Barracks - Subdivision.


16. Stores and Clothing Accounts Subdivision - Examination of Paymaster Accounts of expenditure and contractors claims for stores and clothing. Examination of Store accounts of store officers and store accounts of the Clothing Department. Audit of the Balance Sheet of the clothing factory. Preparation for Parliament of an annual Stock Account of reserves of warlike stores showing their value.


A great part of the Finance Department's work was concerned with pay (Evidence of Ralph Knox, Accountant General before the Ridley Commission 1887, Question 874). The sub-department, the Pay Department, had the responsibility of receiving disbursing and

19. The following work on the Finance Department is taken substantially from Buxton 1883, pp. 57-61.
accounting for all army funds under the direction of the Financial Secretary. All cash transactions of the Army were the province of the Paymasters of the Army. No one else in the army handled cash. In every military district a District Paymaster fulfilled the role of Regimental Paymaster and also handled all non-regimental cash transactions. Paymasters in charge of an office were called accountants while those who were to report to him, i.e. were 'in account', were called sub-accountants.

Paymasters fell under the discipline of combatant officers but in their routine duties involving cash and documentation of accounts they communicated directly with the War Office. Every District Paymaster rendered monthly accounts to the Financial Secretary with transactions classified in accordance with the arrangement of Parliamentary Votes and heads of the Army Estimates, i.e. on a 'subject' basis.

At regular intervals a detailed Statement of expenditure and receipts called the Pay List was rendered to the War Office. At the conclusion of each quarter if no Pay List was presented a summary account instead, called Account Current, was forwarded to the War Office. It was by these documents, concluded Buxton, that

the Accountant-General is able to watch the expenditure of army funds and to see that every item is charged to the proper vote; and, in checking claims and other charges forwarded by Paymasters for approval previous to their appearing in accounts, he is liable to carry out the Financial Secretary's directions on military expenditure. (1883, p.61)

6.6.2 Organisational Change in December 1887

As part of the Ridley Commission's recommendations in 1887 for greater concentration of administration in military hands, by Orders in Council on the 27th December 1887 and the 21st February 1888
the office of Surveyor-General of the Ordnance was dropped and instead the Commander-in-Chief of the Army was given authority over matters of stores and supplies, establishing also that at all times he was to exercise "strict control over expenditure". The Commander-in-Chief was now responsible for the preparation of Parliamentary estimates (Hartington Commission 1890, p. xx), later reviewed by the Secretary of State for War, as seen in Table 2 on page 205.

The reforms of 1887 were a great blow to civilian control of army administration concentrating, as they did, all military responsibility for military administration in the office of the Commander-in-Chief. Thus, after the Order in Council 29 December 1887 the War Office was divided into two - the civilian and the military. The civilians in the War Office still maintained absolute control in all matters of finance but little else (Blackwood's Edinburgh Magazine, October 1887, p. 567). According to General Adye the result of the 1887 reorganisation was "responsibility ... on one side (army), but the power on the other (civilians)" (Contemporary Review, July to December 1888, Vol. LIV, p. 309; Nineteenth Century Vol. XXX, July to December 1891, p. 633). Because military performance ultimately hinged on money, Lord Randolph Churchill\(^{20}\) and the Duke of Cambridge

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20. Because of the minority comments made by Lord Randolph Churchill as a member of the Ridley Commission a Select Committee on Army and Navy Establishments was convened to clarify the line between civilian and military administrative responsibilities and powers. The Select Committee was to recommend a tightening of financial control over the Department of the Inspector-General of Fortifications and the Quarter-Master-General (Fleetwood Wilson 1922, pp. 70-71 (Fleetwood Wilson was secretary to this Committee); order in Council 21 February 1888).
Table 2

ARMY ORGANISATION AFTER ORDER IN COUNCIL
27 DECEMBER 1887

Secretary of State for
War and the Colonies

<table>
<thead>
<tr>
<th>Commander in Chief</th>
<th>Financial Secretary</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Adjutant General</td>
<td>11. Accountant-General</td>
</tr>
<tr>
<td>2. Quarter Master General</td>
<td>12. Director of Contracts</td>
</tr>
<tr>
<td>3. Military Secretary</td>
<td>13. Director of Clothing</td>
</tr>
<tr>
<td>5. Director of Artillery</td>
<td>6. Director of Military Intelligence</td>
</tr>
<tr>
<td>7. Director-General of Army Medical Department</td>
<td>8. Director-General of Army Education</td>
</tr>
<tr>
<td>9. Chaplain-General</td>
<td>10. Principal Veterinary Surgeon</td>
</tr>
</tbody>
</table>
maintaining civilian control of army finance allowed the military to avoid all responsibility. The Commander-in-Chief's responsibility was "entirely under the control of the Financial Secretary: Power rests with finance ..." (Duke of Cambridge, *Nineteenth Century* 1891, Vol. XXX, p. 632). The army could, and did, argue that they could not be held responsible for military performance while ever they did not possess real financial authority. Their actions were tethered by decisions of Parliament but more directly by its representatives the Secretary of State for War and the Financial Secretary.

6.6.3 *The Hartington Commission and Reassessment of the 1887 Reorganisation*

The Hartington Commission\(^{21}\) of 1890 in reviewing the work of its predecessor of 1887, the Ridley Commission, argued that

the object of the changes ... is stated to have been to place the administration of the executive duties of the Army at the War Office in the hands of the Military Department ... and thus make the military head responsible for the personnel and material of the Army ... (p.xx).

The 1890 Commission however, demurred from the latter part of this aim of the 1887 re-organisation for it appeared to

involve an excessive centralisation of responsibility in the person of the Commander-in-Chief on whom the whole executive command, administration, and supply of the Army now devolve" (p.xx).

The Commissioners further contended that with only the Commander-in-Chief responsible to the Secretary of State "it cannot produce efficiency". Instead,

the Professional officers administering Departments at the War Office should ... be made directly responsible to the Secretary of State for the efficiency of those Departments, and for the economical expenditure of the sums annually allotted to them (Hartington Commission 1890, p.xxi).

Heads of the administrative departments should not be allowed to hide behind the Office of Commander-in-Chief, argued the Hartington Commission.

The Hartington Commission therefore recommended the abolition of the rank of Commander-in-Chief and the institution of a General Staff in its place (p.xxi; see also Dunlop 1938, pp.9-22). Lord Randolph Churchill as a member of the Commission, again in a minority opinion, dissented from the deliberations of the Royal Commissioners seeking instead greater responsibility in the army's financial administration for the Commander-in-Chief and abolition of his superior, the Secretary of State for War (p.xvi). According to Churchill, in an earlier opinion, denying the military greater control of their financial affairs caused them to become "listless and unresponsive to economic management. As a result millions of pounds were wasted each year" (Lord Randolph Churchill to Lord Goschen 4 March 1888, quoted in Elliot 1911, p. 15). Recommendations of the 1890 Commission, although not Churchill's recommendation, concerning the position of Commander-in-Chief were later developed by the Esher Committee (War Office (Reconstitution) Committee) 1904.
6.6.4 Organisational Change 1895

The final act in the drama of military administrative reform during the period of this study, as summarised by Table 3 following, was played in 1895 through the Order in Council 21 November 1895. This re-enunciated the supremacy of the Secretary of State for War over the army and put into effect the majority of the recommendations of the Hartington Commission, although not the abolition of the office of Commander-in-Chief.22

The reforms did not however, in any way affect the structure of financial control and thereby demonstrated that the jealousy of Parliament was still intact. The Financial Secretary, stated the Order in Council, 21 November 1895, shall be charged: with reviewing the expenditure proposed to be provided in the Annual Estimates for the Army Services, and with compiling those Estimates for submission to Parliament; with financially reviewing any proposals for new expenditure, or for any proposed redistribution of the sums allotted to the different subheads of the votes for Army Services; with seeing that accounts of all expenditure of cash and stores are correctly and punctually rendered; with auditing and allowing all such expenditure, and rendering the same under its proper head of service in the annual account for Parliament: with issuing of all warrants for the payment of moneys; ... and with advising the Secretary of State on all questions of Army expenditure (British Parliamentary Papers, Vol. LIII, 1899, p. 538).23

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22. The Commander-in-Chief, Lord Wolseley, (who succeeded the Duke of Cambridge in 1895) complained that the Order in Council, by setting up four independent military departments - Adjutant General, Quarter-Master General, Inspector of Fortifications and Director General of Ordnance, each with direct access to the Secretary of War, denigrated his office. The heads of these departments had become the Commander-in Chief's equals in administration.

23. These duties were reaffirmed immediately before the outbreak of the South African War in 1899 by Orders in Council, 7 March 1899.
Table 3

ORGANISATION OF THE BRITISH ARMY
AFTER THE ORDER IN COUNCIL
21 NOVEMBER 1895

<table>
<thead>
<tr>
<th>Secretary of State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commander-in-Chief</td>
</tr>
<tr>
<td>Quarter-Master General</td>
</tr>
<tr>
<td>Adjutant General</td>
</tr>
<tr>
<td>Inspector General of Fortification</td>
</tr>
<tr>
<td>Director General of Ordnance</td>
</tr>
</tbody>
</table>
In addition because the heads of each administrative department were now made directly responsible to the Secretary of State for War there was no one soldier answerable for army efficiency (see Arnold Forster, the *Times* 11 November 1897). The result, argued critics, was increasing lassitude in administration: the Commander-in-Chief was able to distance himself from inefficiencies by claiming they did not arise from his responsibilities (*Contemporary Review* Vol. LXVIII, July to December 1895; p. 329).

6.7 THE TREASURY AND ORGANISATIONAL REFORM IN THE LATE 19TH CENTURY

As demonstrated above, despite the exceptional changes in military administration the structure of financial control remained intact. Fear of and aversion to casting aside well worn and comfortable financial practices and traditions, mainly under Treasury control and exercised through the Finance Department at the War Office, added to the reluctance for financial reform in the army (see "Evidence before the Select Committee on Army and Ordnance Expenditure 1849, p.591, Question 8763; also Hewgill 1980, pp.13-14). Without the Treasury's consent and support any moves towards decentralisation of financial responsibility to the military were guaranteed to be still-born (Brodrick Committee 1898, p.130 para.9). The Treasury resisted change which would have threatened the then present financial control structure which in turn would have destroyed the existing administratively based organisational

24. The Order in Council of 21 November 1895 (which revoked the Order in Council of the 21 February 1888) included in the statement of duties of each administrative head, for example the Adjutant-General, the phrase "He shall advise the Secretary of State on all questions connected with the duties of his department ..." (Order in Council, 21 November 1895, *British Parliamentary Papers*, Vol. LIII, 1899, pp. 537-538).
structure of the War Office. This structure stemmed directly from
the arrangement of Parliamentary estimates which became the
Treasury’s responsibility to superintend. In this regard the very
famous Sir Redvers Buller, the man responsible for organising the
supply of the British Army on modern lines (see Fortescue 1931
Vol.1; Melville 1923), scathingly castigated the

whole system of reports and regulations and warrants under
which the British Army now serves ... (for it) has grown
up entirely for the benefit of War Office clerks and to
find work at the War Office rather than to find control
for the Army... (They) do not like to let go out of their
hands any power derived from the constant tying-up of
Generals more and more by regulation. The result of their
making those regulations in such detail is that unless
they follow out that practice they have nothing to do
(Evidence before the Brodrick Committee 1898, p.194,
Question 950).

For the Treasury to suggest, promote and actively participate
in the implementation of any scheme that sought the reorganisation
of the War Office on lines other than those related to financial
support of the army would have meant a substantial decline in the
Treasury’s role in army affairs. Reorganisation of the structure of
financial control was sorely needed as both the Crimean and South
African Wars were to demonstrate, not withdrawal into the
pedanticism of tradition. Still, as long as the arrangement of
military financial administration continued to cling to the wreckage
of anachronistic constitutional hostilities it could not help but
perpetuate the deficiencies discussed above.
6.8 CONCLUSION AND SUMMARY

Progressively, in the second half of the 19th century, the segregation of administrative roles and duties from command responsibilities was emphasised less for constitutional reasons. Instead, the Prussian Wars of the sixties and seventies and the rise of the German state, which had unsettled Britain with the change in the balance of power that resulted in Europe, had couched the separation of administration and command in terms of military expediency. The contribution of civilians as guardians of the Nation's liberty became less chauvinistic in outlook and demands for greater military involvement in military administration increased.

Thus, there were three significant moves to reform military administration in the last three decades of the 19th century; Cardwell's reforms commencing in 1870 and the reorganisations of 1887 and 1895. Despite what appeared to be Parliament's willingness to give the military a freer hand and thereby allow it to be more efficient and responsive, Parliament was still not prepared to give the army complete administrative autonomy. Thus to match increased administrative freedom of the military the powers of the major parliamentary financial officers were strengthened. Because administrative decisions ultimately were financially dependent this prompted the army to distance itself from responsibility for any military failures which could be traced to administrative problems. Indeed, it is difficult to avoid the conclusion that many of the supply problems experienced by the British Army in the Crimea and later wars can but be traced back along a path that led directly along the corridors of centralised and exclusive financial administration to the doors of Parliament.
CHAPTER 7

CONCLUSION
Discontent with the structure of financial control of military finance gained increasing support in the latter decades of the 19th century. This dissent was to prepare a fertile ground to receive both the complaints of financial mismanagement arising from the South African War of 1899-1902 and the financial reforms prompted by the findings of the Brodrick (1899), Dawkins (1902) and Esher Committees (1904).

The dominant concern of Parliament in its financial relationship with the army prior to the Crimean War had been to establish checks on the total amounts spent for military purposes. By regulating the flow of money to the British Army Parliament was able to monitor very closely the size of the British Army. To Parliament the presence of a large standing army in peace had always been a constitutional liability. Parliament prior to the Civil War and the Revolution in the 17th Century had seen the Army as the dangerous tool of a powerful opponent, the ruling monarch. The role of the army in the constitutional conflicts of the 17th century only served to confirm the accuracy of Parliament's misgivings.

So threatening had the army's actions been in the Civil War and so close had Parliament come to annihilation that it was determined to reap a terrible vengeance on this potent vehicle of force. Parliament must never again find itself at the mercy of any other agency. Given that the monarch was to retain the command and headship of the army, Parliament sought to develop a mechanism of control which could both tolerate the loyalty of the troops to the monarchy and ensure Parliament ultimate authority in all military matters. The
surest way to accommodate both these aims was through control of military finances.

The Revolutionary settlement of 1689 had guaranteed Parliament all authority in the raising of government revenue and its appropriation. Parliament was financially supreme over the executive. The amount of money available to the military was therefore beyond the military's direct determination. Still, control over the level of funding of the military by itself was not a sure enough control measure for Parliament. Consequently, Parliament severed the military not only from the source of their means of subsistence but also rigidly circumvented access the military had to available funds. Whereas Parliament found it very difficult to trust a potential constitutionally lethal force as embodied by the army they could however, depend more on the fidelity of civilians. Thus Parliament used civilians as its ally in the dispensing of military money.

This was doubly galling to the proud military who resented very strongly any civilian meddling in military matters. According to the military no civilian could ever do the military justice because they did not have the intimate knowledge of the workings of the army which could only be obtained from a lifetime immersion in the army. For the military to be totally dependent on civilians for the level of military spending and the direction and rate of spending, was anathema to the army. They were completely at the mercy of civilians who were able not only to directly affect the size of the army but also to indirectly affect all aspects of military operations. In these circumstances comradship between the military and civilians was akin to warm friendship between master and servant. While ever civilians
controlled finance, no matter which administrative departments were in military hands, they were resented by the army.

Perpetuation of rivalry between two antagonistic groups, as were the military and civilians engaged in military finance, was consistent with Parliament's initial goal in its relations with the military: antagonism denied collusion between civilians and the military, and therefore largely removed the army as a constitutional threat. The financial controls instituted however, were so single minded and successful in achieving the aim of constitutional security that it was very difficult to accommodate other motives. Difficulties therefore arose in the latter half of the 19th century when additional goals for financial control of the army rose to prominence.

By the mid 19th century Parliament had become less concerned about the army being a constitutional liability and more reflective of the need for an economic and efficient i.e. cost effective, military force. Parliament did not however, alter the structure of financial control to meet the changed direction of financial control. If anything, existing controls were strengthened. In particular major innovations in financial feedback to Parliament, especially appropriation accounting, added to apparent civilian omnipotence in military finance. Altering the professed goals of financial surveillance without compensating changes in the means of surveillance ensured the structure of financial control would continue to serve goals now avowed to be outmoded.

The Treasury, as the major financial adviser to Parliament, in particular was frequently criticised towards the end of the 19th century for its reluctance to encourage change in the structure of
control of military finance. The Treasury was accused of perpetuating the existing structure of financial control largely because of motives of self interest. The then present structure suited the Treasury because of the considerable power and influence it afforded. Surrender of its pivotal position in military finance was not something the Treasury promoted.

The army argued strenuously that administrative responsibility in the absence of financial authority could never ensure either economic or efficient operations as envisaged by Parliament. Consideration of economy and efficiency were only possible in the presence of a high degree of financial autonomy. Economy and efficiency as goals of financial control were incompatible with a very rigid, centralised and civilian controlled finance function.

The structure of financial control operating throughout the latter half of the 19th century continued to be directed towards the detection of mistakes, especially those of an ultra vires kind where there was a failure to obtain the required Parliamentary approval for expenditure. In other words the structure of financial control was administratively based. It did not have the capacity to discover and, more importantly, judge successes as would a management oriented control system.
SUGGESTIONS FOR FURTHER RESEARCH

Evidence of widespread military financial mismanagement during the South African War of 1899-1902 proved to be the shock necessary to introduce major change in the structure of control of military finance. Investigations revealed that smart civilian contractors, in their dealings with the army, had been able to perpetrate numerous frauds. Some of the losses incurred were due to the connivance of corrupt military personnel but, what was more startling, many frauds were possible because of the financial ignorance of military officers.

Thus it is suggested that further study could be directed at disclosures of financial profligacy made during and after the South African War and the structure of financial control which emerged soon after.

As indicated in this thesis financial control was never managerially based but remained an administrative tool. Not until 1919 was there any concerted effort to harness financial procedures in the interest of improved management of resources. Thus, in 1919 the army boldly introduced, before any other government department, a cost accounting scheme. Three years later the scheme was scrapped.

Despite the significance of the cost accounting experiment in the evolution of government accounting very little has been attempted to explain reasons for the adoption of the scheme and its subsequent rejection. As a significant change in the direction of military financial administration, and government accounting, the cost accounting experiment merits consideration for further study. Indeed, such research would constitute a natural extension of the present study.
APPENDIX 1
CAP. XXXIX.

An Act to consolidate the Duties of the Exchequer and Audit Departments to regulate the Receipt, Custody, and Issue of Public Moneys, and to provide for the Audit of the Accounts thereof.

[28th June 1866.]

WHEREAS it is expedient to consolidate the Powers and Duties of the Comptroller of Her Majesty's Exchequer and of the Commissioners for auditing the Public Accounts, and to unite in One Department the Business hitherto conducted by the separate Establishments under them; and to make other Provisions for the more complete Examination of the Public Accounts of the United Kingdom: Be it therefore enacted by the Queen's most Excellent Majesty, by and with the Advice and Consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the Authority of the same, as follows:

1. This Act may be cited for all Purposes as "The Exchequer and Audit Departments Act, 1866."

2. In this Act "the Treasury" shall mean the Commissioners of Her Majesty's Treasury for the Time being, or any Two or more of them; "the Bank of England" shall mean the Governor and Company of the Bank of England; "the Bank of Ireland" shall mean the Governor and Company of the Bank of Ireland; "the National Debt Commissioners" shall mean the Commissioners for the Reduction of the National Debt; "Principal Accountants" shall mean those who receive Issues directly from the Accounts of Her Majesty's Exchequer at the Banks of England and Ireland respectively; "Sub-Accountants" shall mean those who receive Advances, by way of Imprest, from Principal Accountants, or who receive Fees or other Public Moneys.

Definition of Terms.
Moneys through other Channels; ‘‘the Secretaries of the Treasury” shall include the Assistant Secretary.

3. At any Time within Twelve Months after the passing of this Act it shall be lawful for Her Majesty, Her Heirs and Successors, by Letters Patent under the Great Seal of the United Kingdom to nominate and appoint the Person who shall at that Time hold the Office of Comptroller General of the Receipt and Issue of Her Majesty’s Exchequer, and Chairman of the Commissioners for auditing the Public Accounts, to be Comptroller General of the Receipt and Issue of Her Majesty’s Exchequer and Auditor General of Public Accounts, in this Act referred to as “Comptroller and Auditor General,” and also to nominate and appoint One of the Persons who shall at that Time hold the Offices of Commissioners for auditing the Public Accounts to be “Assistant Comptroller and Auditor.”

The said Comptroller and Auditor General and Assistant Comptroller and Auditor shall hold their Offices during good Behaviour, subject, however, to their Removal therefrom by Her Majesty, Her Heirs and Successors, on an Address from the Two Houses of Parliament; and they shall not be capable of holding their Offices together with any other Office to be held during Pleasure under the Crown, or under any Officer appointed by the Crown; nor shall they be capable while holding their Offices of being elected or of sitting as Members of the House of Commons; nor shall any Peer of Parliament be capable of holding either of the said Offices.

4. Her Majesty may, by such Letters Patent, grant to the Persons therein named the following Salaries; that is to say,

To the Comptroller and Auditor General a Salary of Two thousand Pounds per Annum, and to the Assistant Comptroller and Auditor a Salary of One thousand five hundred Pounds per Annum; and such Salaries shall be charged upon and paid out of the Consolidated Fund of the United Kingdom or the growing Produce thereof.

It shall be lawful for Her Majesty, Her Heirs and Successors, by Letters Patent as aforesaid, to grant to any Person who shall have executed the Offices of Comptroller and Auditor General, or Assistant Comptroller and Auditor, on his ceasing to hold such Office, an Annuity or Pension not exceeding One Half of the Salary of his Office to which he shall have been entitled immediately before he ceased to hold such Office, if he shall have held either, or one after the other, of the said Offices or the Office of Commissioner of Audit for a Period not less than Fifteen Years, and Two Thirds of his said Salary if he shall have held either, or one after the other, of the said Offices for a Period not less than Twenty Years: Provided always, that no such Annuity or Pension shall be granted to either of the said Officers unless he be Sixty Years of Age at the least, or be afflicted with some permanent Infirmity disabling him from the due Execution of his Office, the same
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5. On the Appointment as aforesaid of a Comptroller and Auditor General and an Assistant Comptroller and Auditor, the then existing Letters Patent of Appointments of Comptroller General of the Exchequer and of Commissioners of Audit shall be ipso facto revoked, and the present Offices of Comptroller General of the Exchequer and Commissioners of Audit shall be abolished, but the Person appointed to be Comptroller and Auditor General shall have and perform all the Powers and Duties conferred or imposed on the Comptroller General of the Exchequer and the Commissioners for auditing the Public Accounts respectively by any Enactments relative to those Authorities respectively as far as the same are not repealed or altered by this Act or any other Act of the present Session of Parliament; and it shall be lawful for the Treasury to grant to each of the said Commissioners of Audit whose Offices shall be abolished under the Provisions of this Act, and who shall not be appointed to either of the said Offices of Comptroller and Auditor General or Assistant Comptroller and Auditor, an annual Allowance, by way of Compensation, not exceeding the Sum charged on the Consolidated Fund as the Salary of such Commissioners: Provided always, that any Commissioners who may be in receipt of Emoluments exceeding the Salary so charged on the Consolidated Fund shall be entitled to receive, in addition to the aforesaid Compensation Allowance, such Proportion of the said Emoluments as the Treasury are empowered to grant under the Provisions of "The Superannuation Act, 1859;" and such Allowances shall be charged upon and paid out of the Consolidated Fund of the United Kingdom or the growing Produce thereof.

6. On the Death, Resignation, or other Vacancy in the Office of the Comptroller and Auditor General, or of the Assistant Comptroller and Auditor, Her Majesty, Her Heirs and Successors, may, by Letters Patent as aforesaid, nominate and appoint a Successor, who shall have the same Powers, Authorities, and Duties, and who shall be paid the like Salary and Annuity or Pension out of the Consolidated Fund.

7. Anything which under the Authority of this Act is directed to be done by the Comptroller and Auditor General may, in his Absence, be done by the Assistant Comptroller and Auditor, except the certifying and reporting on Accounts for the House of Commons.

8. The Treasury shall from Time to Time appoint the Officers, Clerks, and other Persons in the Department of the Comptroller...
Comptroller and Auditor General, and Her Majesty by Order in Council may from Time to Time regulate the Numbers and Salaries of the respective Grades or Classes into which the said Officers, Clerks, and others shall be divided.

9. The Comptroller and Auditor General shall have full Power to make from Time to Time Orders and Rules for the Conduct of the internal Business of his Department, and to promote, suspend, or remove any of the Officers, Clerks, and others employed therein; and to prescribe Regulations and Forms for the Guidance of Principal and of Sub-Accountants in making up and rendering their periodical Accounts for Examination: Provided always, that all such Regulations and Forms shall be approved by the Treasury previously to the Issue thereof.

10. The Commissioners of Customs, the Commissioners of Inland Revenue, and the Postmaster General shall, after Deduction of the Payments for Drawbacks, Bounties of the Nature of Drawbacks, Repayments, and Discounts, cause the gross Revenues of their respective Departments to be paid, at such Times and under such Regulations as the Treasury may from Time to Time prescribe, to Accounts to be intituled "The Account of Her Majesty's Exchequer," at the Bank of England and at the Bank of Ireland respectively, and all other Public Moneys payable to the Exchequer shall be paid to the same Accounts, and Accounts of all such Payments shall be rendered to the Comptroller and Auditor General daily, in such Form as the Treasury may prescribe: Provided always, that this Enactment shall not be construed to prevent the Collectors and Receivers of the said gross Revenues and Moneys from cashing, as heretofore, under the Authority of any Act or Regulation, Orders issued for Naval, Military, Revenue, Civil, or other Services, repayable to the Revenue Departments out of the Consolidated Fund or out of Moneys provided by Parliament.

11. All Moneys paid into the Bank of England and the Bank of Ireland on account of the Exchequer shall be considered by the Governor and Company of the said Banks respectively as forming One general Fund in their Books; and all Orders directed by the Treasury to the said Banks for Issues out of Credits to be granted by the Comptroller and Auditor General, as herein-after provided, for the Public Service, shall be satisfied out of such general Fund; and with a view to economize the Public Balances, the Treasury shall restrict the Sums to be issued or transferred from Time to Time to the Credit of Accounts of Principal Accountants at the said Banks, as herein-after provided, to such total Sums as they may consider necessary for conducting the current Payments for the Public Service intrusted to such Principal Accountants; and the said Principal Accountants may consider the Sums so transferred to their Accounts as constituting Part of their general drawing Balance applicable to the Payment of all the Services for which they are accountable; but such Sums shall

and to regulate Numbers and Salaries.

The Comptroller and Auditor General to promote, suspend, or remove Clerks, &c., and to make Regulations, subject to Approval.

Gross Revenues to be paid to Exchequer, and daily Returns to be sent to Comptroller and Auditor General.

Moneys to form One Fund in the Books of the Banks of England and Ireland applicable to Exchequer Issues.
Cap. 39. Exchequer and Audit Departments. 29 & 30 VICT.

shall be carried in the Books of such Accountants to the Credit of the respective Services for which the same may be issued, as specified in such Orders: Provided always, that this Enactment shall not be construed to empower the Treasury or any Authority to direct the Payment, by any such Principal Accountant, of Expenditure not sanctioned by any Act whereby Services are or may be charged on the Consolidated Fund, or by a Vote of the House of Commons, or by an Act for the Appropriation of the Supplies annually granted by Parliament.

12. At the Close of each of the Quarters ending on the Thirty-first Day of March, the Thirtieth Day of June, the Thirtieth Day of September, and the Thirty-first Day of December, in every Year the Treasury shall prepare an Account of the Income and Charge of the Consolidated Fund in Great Britain and in Ireland for such Quarter, and the Charges for the Public Debt due on the Fifth Day of April, the Fifth Day of July, the Tenth Day of October, and the Fifth Day of January shall be included in the Accounts of the said Charge for the Quarters ending on the Days preceding the latter Dates; and a Copy of such Account shall forthwith be transmitted by the Treasury to the Comptroller and Auditor General; and if it shall appear by such Account that the Income of the Consolidated Fund in Great Britain or in Ireland for the Quarter is not sufficient to defray the Charge upon it, the Comptroller and Auditor General, if satisfied of the Correctness of the Deficiency, shall certify the Amount thereof to the Bank of England or to the Bank of Ireland, as the Case may be, and upon such Certificates the said Banks shall be authorized to make Advances, from Time to Time, during the succeeding Quarter, on the Application of the Treasury, by Writing, in a Form to be from Time to Time determined by them, to an Amount not exceeding the Aggregate of the Sums specified in such Certificates; and all such Advances shall be placed to the Credit of the Exchequer Accounts at the said Banks, and be available to satisfy the Orders for Credits granted or to be granted upon the said Accounts by the Comptroller and Auditor General; and the Principal and Interest of all such Advances shall be paid out of the growing Produce of the Consolidated Fund in the said succeeding Quarter.

13. The Comptroller and Auditor General shall grant to the Treasury, from Time to Time, on their Requisitions authorizing the same, if satisfied of the Correctness thereof, Credits on the Exchequer Accounts at the Banks of England and Ireland, or on the growing Balances thereof, not exceeding the Amount of the Charge in the aforesaid quarterly Account of the Income and Charge of the Consolidated Fund remaining unpaid.

The Comptroller and Auditor General shall also grant from Time to Time to the Treasury, on similar Requisitions, supplemental Credits for Services payable under any Act out of the growing Produce of the Consolidated Fund, and not included in

Quarterly Accounts of the Income and Charge of the Consolidated Fund to be prepared.

If it appear by such Account that there is a Deficiency of the Consolidated Fund, Comptroller, &c. to certify to Bank of England or Ireland, who may make Advances.

Credits to be granted to the Treasury for Consolidated Fund Services.

Supplemental Credits for Services charged on the growing Produce.
in the aforesaid quarterly Account; and the Issues or Transfers
of Moneys required from Time to Time by the Principal
Accountants to enable them to make the Payments intrusted
to them shall be made out of such Credits on Orders issued
to the said Banks, signed by One of the Secretaries of the
Treasury, or in their Absence by such Officer or Officers as the
Treasury may from Time to Time appoint to that Duty, and
in all such Orders the Services for which the Issues may be
authorized shall be set forth.
A daily Account of all Issues or Transfers made from the
Exchequer Accounts, in pursuance of such Orders, shall be
transmitted by the said Banks to the Comptroller and Auditor
General.
14. When any Sum or Sums of Money shall have been
granted to Her Majesty by a Resolution of the House of
Commons, or by an Act of Parliament, to defray Expenses for
any specified Public Services, it shall be lawful for Her
Majesty from Time to Time, by Her Royal Order under the
Royal Sign Manual, countersigned by the Treasury, to autho-
rize and require the Treasury to issue, out of the Credits to be
granted to them on the Exchequer Accounts as herein-after
provided, the Sums which may be required from Time to Time
to defray such Expenses, not exceeding the Amount of the
Sums so voted or granted.
15. When any Ways and Means shall have been granted
by Parliament to make good the Supplies granted to Her
Majesty by any Act of Parliament or Resolution of the House
of Commons, the Comptroller and Auditor General shall grant
to the Treasury, on their Requisition authorizing the same, a
Credit or Credits on the Exchequer Accounts at the Bank of
England and Bank of Ireland, or on the growing Balances
thereof, not exceeding in the whole the Amount of the Ways
and Means so granted. Out of the Credits so granted to the
Treasury Issues shall be made to Principal Accountants from
Time to Time on Orders issued to the said Banks, signed by
One of the Secretaries of the Treasury, or in their Absence by
such Officer or Officers as the Treasury may from Time to
Time appoint to that Duty; and the Services or Votes on
account of which the Issues may be authorized shall be set
forth in such Orders: Provided always, that the Issues for
Army and Navy Services shall be made under the general Heads
of "Army" and "Navy" respectively.
A daily Account of all Issues made from the Exchequer
Accounts in pursuance of such Orders shall be transmitted
by the said Banks to the Comptroller and Auditor General.
16. Within Fifteen Days after the Expiration of the Quarters
ending on the Thirty-first Day of March, the Thirtieth Day
of June, the Thirtieth Day of September, and the Thirty-first
Day of December in every Year the Treasury shall prepare
an Account of the Public Income and Expenditure of the
United Kingdom, according to the actual Receipt and Issue
of

Issues to
Principal
Accountants.

Daily Advices
of Issues to be
sent to Com-
troller and
Auditor
General.

Royal Order
for Supply
Services.

Credits for
Supply Ser-
vice.

Issues to
Principal
Accountants.

Treasury to
prepare Ac-
counts show-
ning Surplus
Income appli-
cable to Reduc-
ton of the
National Debt.
Cap. 39. Exchequer and Audit Departments. 29 & 30 Vict.
of Moneys on the Exchequer Accounts at the Bank of England and Bank of Ireland in the Twelve Months ending on such Quarter Days respectively; and if there shall appear by such Account to be a Surplus of Income above Expenditure, the Treasury shall certify the same to the National Debt Commissioners, and One Fourth Part of such Surplus shall be applicable to the Reduction of the National Debt as hereinafter directed; and the National Debt Commissioners shall publish from Time to Time in the London Gazette the Sum which will be so applied in the ensuing Quarter. The Treasury shall cause One Fourth Part of such Surplus Income to be charged on the Consolidated Fund in the Quarter succeeding the Termination of such Account; and the Sum so charged shall be issued by the Treasury from Time to Time in the next ensuing Quarter to the National Debt Commissioners, who shall apply the same, during the said Quarter, in redeeming Funded or Unfunded Debt, or in repaying to the Bank of England or to the Bank of Ireland any Advances made by them, under the Provisions of this Act, towards supplying the Deficiency of the Consolidated Fund during the said Quarter; and all Debt so redeemed shall be forthwith cancelled. And a Copy of every Account prepared by the Treasury as aforesaid, certified by the Comptroller and Auditor General, shall be laid before the House of Commons within Fifteen Days after the Expiration of the said quarterly Periods, if Parliament be then sitting, or if not sitting then within One Week after Parliament shall be next assembled.

17. All Debts accruing due under any Contract or Lease now or hereafter entered into or taken for the Public Service, and payable out of the Supplies from Time to Time voted by Parliament to Her Majesty for the Public Service, in any Department for which the Payments are made by the Paymaster General, shall be discharged and paid in manner following; that is to say, such Debts shall be payable on the Order of the Department, and the Payment thereof shall be made by a Draft drawn by the Paymaster General on the Bank of England, according to the Course and Practice of his Office, payable to the Persons to whom such Debts may be due, or to their Agents.

18. The Treasury may from Time to Time determine what Banks Accountants shall keep the Public Moneys entrusted to them, and they may also determine what Accounts so opened in the Names of Public Officers or Accountants in the Books of the Bank of England, of the Bank of Ireland, or of any other Bank, shall be deemed Public Accounts; and on the Death, Resignation, or Removal of any such Public Officers or Accountants the Balances remaining at the Credit of such Accounts shall, upon the Appointment of their Successors, unless otherwise directed by Law, vest in and be transferred to the Public Accounts of such Successors at the said Banks, and shall not, in the event of the Death of any such Public Officers
1866.

Exchequer and Audit Departments. Cap. 39.

Officers or Accountants, constitute Assets of the Deceased, or be in any Manner subject to the Control of their legal Representatives.

19. It shall be lawful for the Treasury, whenever they shall consider it for the Advantage of the Public Service, to direct that the Accounts of any Public Officer or Department, which by any Act or Acts are required to be kept under separate Heads at the Bank of England or at the Bank of Ireland, shall be consolidated in such Manner as they shall judge most convenient for the Public Service.

20. It shall be lawful for the Bank of England and Bank of Ireland, at the Request of the Treasury, signified by One of their Secretaries, for the Public Convenience, to open and keep Accounts of Government Stock and Annuities in the Books of the said Banks under the official Description of any Public Officer for the Time being, without naming him; and the Dividends on such Stock and Annuities may from Time to Time be received, and the Stock and Annuities or any Part thereof to the Credit of such Account may from Time to Time be transferred, by the Officer for the Time being holding such Office, as if such Stock and Annuities stood in his own Name; and upon the Death, Resignation, or Removal of any such Public Officer, the Stock and Annuities standing to the Credit of such Account, and all Dividends thereon, including any Dividends not theretofore received, shall become vested in his Successor in Office, and be receivable and-transferable accordingly. And any such Public Officer in whose official Description such Government Stock and Annuities may be standing may, by Letter of Attorney, authorize the Bank of England or the Bank of Ireland, or all or any of their Cashiers, to sell and transfer all or any Part of the Stock or Annuities from Time to Time standing in the Books of the said Banks on such Account, and to receive the Dividends due and to become due thereon; but no Stock or Annuities shall be sold or transferred at the said Banks under the Authority of such general Letter of Attorney, except upon an Order in Writing, signed by One of the Secretaries of the Treasury, directed to the proper Officers of the said Banks.

Appropriation Accounts.

21. The Treasury shall cause an Account to be prepared and transmitted to the Comptroller and Auditor General for Examination on or before the Thirtieth Day of September in every Year, showing the Issues made from the Consolidated Fund of Great Britain and Ireland in the Financial Year ended on the Thirty-first Day of March preceding, for the Interest and Management of the Public Funded and Unfunded Debt, for the Civil List, and all other Issues in the Financial Year for Services charged directly on the said Fund; and the Comptroller and Auditor General shall certify and report upon the same with reference to the Acts of Parliament under the Authority

Treasury may direct Consolidation of Accounts at the Bank.

Accounts of Stock may be opened in the Books of the Banks under official Description of Public Officers.

The Banks may be authorized to receive Dividends and sell Stock.

Annual Accounts of Issues for Consolidated Fund Services to be prepared and audited for Parliament.
Cap. 39.  Exchequer and Audit Departments.  29 & 30 Vict.

Authority of which such issues may have been directed; and such Accounts and Reports shall be laid before the House of Commons by the Treasury on or before the Thirty-first Day of January in the following Year; if Parliament be then sitting, and if not sitting, then within One Week after Parliament shall be next assembled.

22. On or before the Days specified in the respective Columns of Schedule A. annexed to this Act, Accounts of the Appropriation of the several Supply Grants comprised in the Appropriation Act of each Year shall be prepared by the several Departments, and be transmitted for Examination to the Comptroller and Auditor General and to the Treasury, and when certified and reported upon as herein-after directed shall be laid before the House of Commons: and such Accounts shall be called the " Appropriation Accounts" of the Moneys expended for the Services to which they may respectively relate; and the Treasury shall determine by what Departments such Accounts shall be prepared and rendered to the Comptroller and Auditor General, and the Comptroller and Auditor General shall certify and report upon such Accounts as herein-after directed; and the Reports thereon shall be signed by the Comptroller and Auditor General: Provided always, and it is the Intention of this Act that the Treasury shall direct that the Department charged with the Expenditure of any Vote under the Authority of the Treasury shall prepare the Appropriation Account thereof: Provided also, that the Term " Department," when used in this Act in connexion with the Duty of preparing the said Appropriation Accounts, shall be construed as including any Public Officer or Officers to whom that Duty may be assigned by the Treasury.

23. A Plan of Account Books and Accounts, adapted to the Requirements of each Service in order to exhibit, in a convenient Form, the whole of the Receipts and Payments in respect of each Vote, shall be designed under the Superintendence of the Treasury; and Her Majesty may from Time to Time, by Order in Council, prescribe the Manner in which each Department of the Public Service shall keep its Accounts.

24. An Appropriation Account of Supply Grants shall exhibit on the Charge Side thereof the Sum or Sums appropriated by Parliament for the Service of the Financial Year to which the Account relates, and on the Discharge Side thereof the Sums which may have actually come in course of Payment within the same Period; and no Imprest or Advance, of the Application of which an Account may not have been rendered to and allowed by the accounting Department, shall be included on the Discharge Side thereof.

25. The Department charged with the Duty of preparing the Appropriation Account of a Grant shall, if required so to do by the Comptroller and Auditor General, transmit to him, together with the annual Appropriation Account of such Grant, a Balance Sheet so prepared as to show the Debtor and Creditor.
Creditor Balances in the Ledgers of such Department on the Day when the said Appropriation Account was closed, and to verify the Balances appearing upon the annual Appropriation Account: Provided always, that the Comptroller and Auditor General may, if he thinks fit, require the said Department to transmit to him in lieu of such Balance Sheet a certified Statement showing the actual Disposition of the Balances appearing upon the annual Appropriation Account on the last Day of the Period of such Account.

26. Every Appropriation Account when rendered to the Comptroller and Auditor General shall be accompanied by an Explanation showing how the Balance or Balances on the Grant or Grants included in the previous Account have been adjusted, and shall also contain an explanatory Statement of any Excess of Expenditure over the Grant or Grants included in such Account, and such Statement as well as the Appropriation Account shall be signed by such Department.

27. Every Appropriation Account shall be examined by the Comptroller and Auditor General on behalf of the House of Commons; and in the Examination of such Accounts the Comptroller and Auditor General shall ascertain, first, whether the Payments which the accounting Department has charged to the Grant are supported by Vouchers or Proofs of Payments, and, second, whether the Money expended has been applied to the Purpose or Purposes for which such Grant was intended to provide: Provided always, and it is hereby enacted, that whenever the said Comptroller and Auditor General shall be required by the Treasury to ascertain whether the Expenditure included or to be included in an Appropriation Account, or any Portion of such Expenditure, is supported by the Authority of the Treasury, the Comptroller and Auditor General shall examine such Expenditure with that Object, and shall report to the Treasury any Expenditure which may appear, upon such Examination, to have been incurred without such Authority; and if the Treasury should not thereupon see fit to sanction such unauthorized Expenditure, it shall be regarded, as being not properly chargeable to a Parliamentary Grant, and shall be reported to the House of Commons in the Manner herein-after provided.

28. In order that such Examination may as far as possible proceed, pari passu, with the Cash Transactions of the several accounting Departments, the Comptroller and Auditor General shall have free Access, at all convenient Times, to the Books of Account and other Documents relating to the Accounts of such Departments, and may require the several Departments concerned to furnish him, from Time to Time, or at regular Periods, with Accounts of the Cash Transactions of such Departments respectively up to such Times or Periods.

29. In conducting the Examination of the Vouchers relating to the Appropriation of the Grants for the several Services enumerated in Schedule (B.) to this Act annexed, the Comptroller

troller and Auditor General, after satisfying himself that the
Accounts bear Evidence that the Vouchers have been com-
pletely checked, examined, and certified as correct in every
respect, and that they have been allowed and passed by the
proper departmental Officers, may admit the same as satisfactory
Evidence of Payment in support of the Charges to which they
may relate: Provided always, that if the Treasury should
desire any such Vouchers to be examined by the Comptroller
and Auditor General in greater Detail, the Comptroller-and
Auditor General shall cause such Vouchers to be subjected-
to such a detailed Examination as the Treasury may think fit
to prescribe.

30. In conducting the Examination of the Vouchers relating
to the Appropriation of the Grants for any Services not enu-
merated in the aforesaid Schedule, the Comptroller and
Auditor General shall test the Accuracy of the Castings and
Computation of the several Items of such Vouchers: Provided
always, that when any Vouchers have been certified to be
correct by any Officers specially authorized to examine the
same, it shall be lawful for the Comptroller and Auditor
General, with the Consent of the Treasury, to dispense with a
Second Examination of the particular Items of such Vouchers.

31. If during the Progress of the Examination by the
Comptroller and Auditor General herein-before directed any
Objections should arise to any Item to be introduced into the
Appropriation Account of any Grant, such Objections shall,
notwithstanding such Account shall not have been rendered to
him, be immediately communicated by him to the Department
concerned, and if the Objections should not be answered to his
Satisfaction by such Department, they shall be referred by him
to the Treasury, and the Treasury shall determine in what
Manner the Items in question shall be entered in the annual
Appropriation Account.

32. In reporting as herein-before directed, for the Informa-
tion of the House of Commons, the Result of the Examination
of the Appropriation Accounts, the Comptroller and Auditor
General shall prepare Reports on the Appropriation Account
of the Army and on that of the Navy separately.

He shall prepare a Report on the Appropriation Accounts of
the Departments of Customs, Inland Revenue, and Post Office.

He shall prepare a Report or Reports on the Accounts
relating to the several Grants included within each of the
Classes into which the Grants for Civil Services are divided in
the Appropriation Act.

In all Reports as aforesaid he shall call attention to every
Case in which it may appear to him that a Grant has been
exceeded, or that Money received by a Department from other
Sources than the Grants for the Year to which the Account
relates has not been applied or accounted for according to the
Directions of Parliament, or that a Sum charged against a
Grant is not supported by Proof of Payment, or that a Pay-
Exchequer and Audit Departments.  

Accounts other than Appropriation Accounts.

33. Besides the Appropriation Accounts of the Grants of Parliament, the Comptroller and Auditor General shall examine and audit, if required so to do by the Treasury, and in accordance with any Regulations that may be prescribed for his Guidance in that Behalf by the Treasury, the following Accounts; viz., the Accounts of all Principal Accountants, the Accounts of the Receipt of Revenue by the Departments of Customs, Inland Revenue, and Post Office, the Accounts of every Receiver of Money which is by Law payable into Her Majesty's Exchequer, and any other Public Accounts which, though not relating directly to the Receipt or Expenditure of Imperial Funds, the Treasury may by Minute, to be laid before Parliament, direct.

34. The Accounts which by the last preceding Section the Treasury are empowered to subject to the Examination of the Comptroller and Auditor General shall be rendered to him by the Departments or Officers who may be directed so to do by the Treasury; and the Term "Accountant," when used in this and the following Sections of this Act with reference to any such Accounts, shall be taken to mean the Department or Officer that may be so required by the Treasury to render the same; and every Public Officer into whose Hands Public Moneys, either in the Nature of Revenue, or Fees of Office, shall be paid by Persons bound by Law or Regulation to do so, or by subordinate or other Officers whose Duty it may be to pay such Moneys, wholly, or in part, into the Receipt of Her Majesty's Exchequer, or to apply the same to any Public Service, shall, at such Times and in such Form as the Treasury shall determine, render an Account of his Receipts and Payments to the Comptroller and Auditor General; and it shall be the Duty of the Treasury to inform him of the Appointment of every such Officer.

35. Accountants shall transmit their Accounts together with the Authorities and Vouchers relating thereto to the Office of the Comptroller and Auditor General in such Form, and for such Periods, and under such Regulations as he may from Time to Time prescribe for the Guidance of such Accountants: Provided always, that no such Regulations shall be obligatory on such Accountants until they shall have been approved by the Treasury.

[No. 23. Price 2d.]  Z  36. The
As to the 
Examination 
and passing of 
Accounts.

Vouchers may 
be allowed 
though not 
stamped.

Certificates of 
Discharge to 
be delivered to 
Accountants.

Cap. 39.  Exchequer and Audit Departments. 29 & 30 Vict.  

36. The Comptroller and Auditor General shall examine the several Accounts transmitted to him with as little Delay as possible, and when the Examination of each Account shall be completed he shall make up a Statement thereof in such Form as he may deem fit, and if it shall appear from the Statement so made up of any Account, being an Account Current, that the Balance thereof agrees with the Accountant’s Balance, or if it shall appear from any Account rendered by an Accountant, as well as from the State­ment of such Account by the Comptroller and Auditor General, that the Accountant is “even ” and quit,” the Comptroller and Auditor General is hereby required to sign and pass such Statement of Account so made up by him as aforesaid: Provided always, that in all other Cases whatever, the Comptroller and Auditor General having made up the Statement of Account as herein-before directed shall transmit the same to the Treasury, who, having considered such Statement, shall return it to him, with their Warrant attached thereto, directing him to sign and pass the Account, either conformably to the Statement thereof, or with such Alterations as the Treasury may deem just and reasonable; and a Statement of the Account made up by the Comptroller and Auditor General, in accordance with such Treasury Warrant, shall then be signed and passed by him: Provided further, that a List of all Accounts which the Comptroller and Auditor General may sign and pass (such List to be so prepared as to show therein the Charge, Discharge, and Balance of each Account respectively) shall be submitted by him to the Treasury twice in every Year, videlicet, not later than the First Week of February and the First Week of August.

37. It shall be lawful for the Comptroller and Auditor General, in the Examination of any Accounts, to admit and allow, in Cases where it shall appear to him to be reasonable and expedient for the Public Service, Vouchers for any Moneys expressed therein, although such Vouchers be not stamped according to Law.

38. As soon as any Account shall have been signed and passed by the Comptroller and Auditor General, he shall transmit to the Accountant a Certificate, in which the total Amount of the Sums forming respectively the Charge and Discharge of such Account, and the Balance, if any, remaining due to or by such Accountant, shall be set forth; and every such Certificate shall be signed by him, and shall be valid and effectual to discharge the Accountant, as the Case may be, either wholly, or from so much of the Amount with which he may have been chargable, as he may appear by such Certificate to be discharged from: Provided always, that when any Account, not being an Account Current, has been signed and passed by the Comptroller and Auditor General with a Balance due thereon to the Crown, he shall not make out or grant any such Certificate as aforesaid until the Accountant has satisfied him either that he has discharged the full Amount of such Balance, and
and any Interest that may, as herein-after provided, be payable thereon, or that he has been relieved from the Payment thereof, or of so much thereof as was not been paid, by a Warrant from the Treasury.

39. No Declaration shall be made by the Comptroller and Auditor General before the Chancellor of the Exchequer in relation to any Account, or any State or Statement thereof; nor shall any such State or Statement be enrolled as of Record in the Office of Her Majesty's Remembrancer of the Court of Exchequer, any Law, Usage, or Custom to the contrary notwithstanding; but every Statement of an Account made out, signed, and passed as aforesaid, shall be recorded in the Office of the Comptroller and Auditor General, and the recording of such Statement of Account in his Office shall be as valid and effectual for enabling any Process in the Law against the Party chargeable, and any other Proceeding for the Recovery of any Balances and any Interest thereon, and for all other Purposes, as the Enrolment of a declared Account in the Office of Her Majesty's Remembrancer would have been if this Act had not been passed; and a Copy, certified under the Hands of the Comptroller and Auditor General, of the Record of any such Statement of Account, shall be taken notice of and proceeded upon in the like Manner as the Record of any such declared Account, enrolled as aforesaid, might have been if this Act had not been passed.

40. In all Cases where the Comptroller and Auditor General shall be required by the Treasury to examine and audit the Accounts of the Receipt, Expenditure, Sale, Transfer, or Delivery of any Securities, Stamps, Government Stock or Annuities, Provisions, or Stores, the Property of Her Majesty, he shall, on the Examination of such Accounts being completed, transmit a Statement thereof, or a Report thereon, to the Treasury, who shall, if they think fit, signify their Approval of such Accounts to him; and he shall thereupon transmit to the Accountant a Certificate in a Form to be from Time to Time determined by the Comptroller and Auditor General, which shall be to such Accountant a valid and effectual Discharge from so much as he may thereby appear to be discharged from.

41. Every Accountant shall, on the Termination of his Charge as such Accountant, or in case of a deceased Accountant his Representatives shall forthwith pay over any Balance of Public Money then due to the Public in respect of such Charge to the Public Officer authorized to receive the same; and in all Cases in which it shall appear to the Comptroller and Auditor General that Balances of Public Money have been improperly and unnecessarily retained by an Accountant, he shall report the Circumstances of such Cases to the Treasury; and the Treasury shall take such Measures as to them may seem expedient for recovering by legal Process, or by other lawful Ways and Means, the Amount of such Balance or Balances, together with Interest thereon, upon the whole or Part of such Declaration of Accounts before the Chancellor of the Exchequer abolished. Examination and passing of Store Accounts. Adjustment of Balances or Accounts, and when Interest may be charged on such Balances.
such Balance or Balances, for such Period of Time and at such Rate, not exceeding Five Pounds per Centum per Annum, as to the Treasury may appear just and reasonable.

42. In all Cases where any Estate belonging to a Public Accountant is sold under any Writ of Extent or any Decree or Order of the Courts of Chancery or Exchequer, and the Purchaser thereof or of any Part thereof shall have paid his Purchase Money into the Hands of any Public Accountant authorized to receive the same, such Purchaser shall be wholly exonerated and discharged from all further Claims of Her Majesty for or in respect of any Debt arising upon the Account of such Accountant, although the Purchase Money so paid be not sufficient in Amount to discharge the whole of the said Debt.

43. In all Cases in which an Accountant may be dissatisfied with any Disallowance or Charge in his Accounts made by the Comptroller and Auditor General, such Accountant shall have a Right of Appeal to the Treasury, who, after such further Investigation as they may consider equitable, whether by 
viva voce Examination or otherwise, may make such Order, directing the Relief of the Appellant wholly or in part from the Disallowance or Charge in question, as shall appear to them to be just and reasonable, and the Comptroller and Auditor General shall govern himself accordingly.

44. It shall be lawful for the Treasury, from Time to Time, if they see fit so to do, to dispense with the Transmission, to the Comptroller and Auditor General, of any Accounts not being Accounts of the Receipt and Expenditure of Public Money, and with the Audit of such Accounts by him, any Law, Usage, or Custom to the contrary notwithstanding: Provided always, that Copies of any Treasury Minutes dispensing with the Audit of such Accounts shall be laid before Parliament.

45. Nothing in this Act contained shall extend to abridge or alter the Rights and Powers of Her Majesty to control, suspend, or prevent the Execution of any Process or Proceeding, under this Act or otherwise, for recovering Money due to the Crown.

46. The Acts mentioned in Schedule (C.) to this Act annexed shall be repealed to the Extent mentioned in such Schedule, and all Accounts required or directed to be audited by the Board of Audit shall be audited according to the Provisions of this Act: But nothing herein shall be deemed to confer upon the Treasury the Powers with respect to Audit vested in the Admiralty by the "Greenwich Hospital Act 1865," or to affect any Right, Title, Obligation, or Liability acquired or accrued before the Commencement of this Act: Provided always, that this Act shall not affect any Proceeding which may have been commenced under any of the said Acts before this Act comes into operation.

47. This Act shall commence on the First Day of April One thousand eight hundred and sixty-seven.
EXCHEQUER AND AUDIT DEPARTMENTS.

SCHEDULE A.

<table>
<thead>
<tr>
<th>Grants or Services to which the Appropriation Accounts relate.</th>
<th>Dates after the Termination of every Financial Year to which Appropriation Accounts relate, on or before which they are to be made up and submitted.</th>
</tr>
</thead>
<tbody>
<tr>
<td>To the Comptroller and Auditor General by the Departments.</td>
<td>To the Treasury by Comptroller and Auditor General.</td>
</tr>
<tr>
<td>Army</td>
<td>31 December</td>
</tr>
<tr>
<td>Navy</td>
<td>30 November</td>
</tr>
<tr>
<td>Miscellaneous Civil Services (Classes I. to VII.)</td>
<td></td>
</tr>
<tr>
<td>Revenue Departments (Salaries, Superannuation, &amp;c., and Expenses)</td>
<td></td>
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<tr>
<td>Post Office Packet Service</td>
<td></td>
</tr>
<tr>
<td>All other Services voted in Supply</td>
<td></td>
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</tbody>
</table>

SCHEDULE B.

Army;
Navy;
and such other Services as the Treasury, by their Minute, to be laid before Parliament, may direct; but no such Minute shall take effect until it shall have lain before the House of Commons Thirty Days, unless it shall have been previously approved by a Resolution of the House of Commons.

SCHEDULE C.

ENTACTMENTS REPEALED.

25 Geo. 3. c. 52. An Act for better examining and auditing the Publick Accounts of this Kingdom.
27 Geo. 3. c. 13. in part. An Act for repealing the several Duties of Customs and Excise, and granting other Duties in lieu thereof, and for applying the said Duties, together with the other Duties composing the Publick Revenue; for permitting the Importation of certain Goods, Wares, and Merchandize, the Produce or Manufacture of the European Dominions of the French King, into this Kingdom; and for applying certain unclaimed Monies, remaining in the Exchequer for the Payment of Annuities on Lives, to the Reduction of the National Debt.

Section Seventy-two.
<table>
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<tbody>
<tr>
<td>39 &amp; 40 Geo. 3. c. 54.</td>
<td>An Act for more effectually charging Publick Accountants with the Payment of Interest; for allowing Interest to them in certain Cases; and for compelling the Payment of Balances due from them in part; namely,—</td>
</tr>
<tr>
<td>45 Geo. 3. c. 55.</td>
<td>An Act to amend an Act made in the Twenty-fifth Year of His present Majesty, for better examining and auditing the Publick Accounts of this Kingdom; and for enabling the Commissioners, in certain Cases, to allow of Vouchers, although not stamped according to Law.</td>
</tr>
<tr>
<td>46 Geo. 3. c. 141.</td>
<td>An Act for making more effectual Provisions for the more speedy and regular Examination and Audit of the Publick Accounts of this Kingdom.</td>
</tr>
<tr>
<td>47 Geo. 3. Sess. 2. c. 39.</td>
<td>An Act for more effectually charging Publick Accountants with Interest upon Balances, and for other Purposes relating to the passing of Publick Accounts.</td>
</tr>
<tr>
<td>52 Geo. 3. c. 52.</td>
<td>An Act to provide for the speedy and regular Examination and Audit of the Publick Accounts of Ireland; and to repeal certain former Acts relating thereto.</td>
</tr>
<tr>
<td>53 Geo. 3. c. 150.</td>
<td>An Act for the more speedy and effectual Examination and Audit of the Accounts of Military Expenditure in Spain and Portugal; for removing Delays in passing the Public Accounts; and for making new Arrangements for conducting the Business of the Audit Office.</td>
</tr>
<tr>
<td>57 Geo. 3. c. 48.</td>
<td>An Act to make further Provision for the Adjustment of the Accounts of the Consolidated Fund of the United Kingdom; and for making good any occasional Deficiency which may arise in the said Fund in Great Britain or Ireland respectively; and to direct the Application of Monies by the Commissioners for the Reduction of the National Debt.</td>
</tr>
<tr>
<td>1 &amp; 2 Geo. 4. c. 121.</td>
<td>An Act to alter and abolish certain Forms of Proceedings in the Exchequer and Audit Office relative to Public Accountants; and for making further Provisions for the Purpose of facilitating and expediting the passing of Public Accounts in Great Britain; and to render perpetual and amend an Act passed in the Fifty-fourth Year of His late Majesty for the effectual Examination of the Accounts of certain Colonial Revenues.</td>
</tr>
<tr>
<td>10 Geo. 4. c. 27.</td>
<td>An Act to amend the several Acts for regulating the Reduction of the National Debt.</td>
</tr>
<tr>
<td>2 &amp; 3 Will. 4. c. 26.</td>
<td>An Act to authorize the Commissioners for auditing the Public Accounts of Great Britain to examine and audit Accounts of the Receipt and Expenditure of Colonial Revenues.</td>
</tr>
<tr>
<td>2 &amp; 3 Will. 4. c. 99.</td>
<td>An Act for transferring the Powers and Duties of the Commissioners of Public Accounts in Ireland to the Commissioners for auditing the Public Accounts of Great Britain.</td>
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</table>

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<tr>
<th>4 &amp; 5 Will. 4. c. 15.</th>
<th>An Act to regulate the Office of the Receipt of His Majesty's Exchequer at Westminster.</th>
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<tbody>
<tr>
<td>in part.</td>
<td>Except Sections Seven and Twenty-six.</td>
</tr>
<tr>
<td>in part.</td>
<td>Sections Two hundred and thirteen and Two hundred and fourteen.</td>
</tr>
<tr>
<td>9 &amp; 10 Vict. c. 92.</td>
<td>An Act to provide for the Preparation, Audit, and Presentation to Parliament of annual Accounts of the Receipt and Expenditure of the Naval and Military Departments.</td>
</tr>
<tr>
<td>in part.</td>
<td>Section Thirty-eight wholly, and Section Thirty-nine as far as it relates to the Accounts of the Commissioners of Her Majesty's Works and Public Buildings.</td>
</tr>
<tr>
<td>17 &amp; 18 Vict. c. 19.</td>
<td>The Naval Pay and Prize Act, 1854.</td>
</tr>
<tr>
<td>c. 94.</td>
<td>An Act to alter the Mode of providing for certain Expenses now charged upon certain Branches of the Public Revenues and upon the Consolidated Fund.</td>
</tr>
<tr>
<td>in part.</td>
<td>Sections Three, Four, and Five.</td>
</tr>
<tr>
<td>18 &amp; 19 Vict. c. 96.</td>
<td>The Supplemental Customs Consolidation Act, 1855.</td>
</tr>
<tr>
<td>in part.</td>
<td>Section One.</td>
</tr>
<tr>
<td>24 &amp; 25 Vict. c. 93.</td>
<td>An Act to provide for the Preparation, Audit, and Presentation to Parliament of annual Accounts of the Appropriation of the Moneys voted for the Revenue Departments.</td>
</tr>
<tr>
<td>28 &amp; 29 Vict. c. 93.</td>
<td>An Act to consolidate the Offices of Comptroller General of the Exchequer and Chairman of the Commissioners for auditing the Public Accounts, and for other Purposes.</td>
</tr>
</tbody>
</table>
C A P. XCVII.

An Act to provide for the Preparation, Audit, and Presentation to Parliament of annual Accounts of the Receipt and Expenditure of the Naval and Military Departments.

[26th August 1840.]

WHEREAS by an Act passed in the Second Year of the Reign of His late Majesty King William the Fourth, intitled An Act to amend the Laws relating to the Business of the Civil Departments of the Navy, and to make other Regulations for more effectually carrying on the Duties of said Departments, Provision was made for the making up, and the laying before Parliament, of an annual Account of Naval Receipt and Expenditure, examined and certified by the Commissioners for auditing the Public Accounts: And whereas it is expedient to amend the Provisions of the said Act, and to provide for the Preparation, Audit, and Presentation to Parliament of Accounts for the Appropriation of the Monies annually granted for the Naval and Military Services: Be it therefore enacted by the Queen's most Excellent Majesty, by and with the Advice and Consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the Authority of the same, That so much of the said recited Act as relates to the Account of Naval Receipt and Expenditure shall be repealed: Provided always, that nothing in this Act contained shall be construed to affect the Preparation, and the laying before Parliament, of the said Account for the Year ended the Thirty-first Day of March, One thousand eight hundred and forty-six, in accordance with the Provisions of the before-recited Act.

II. And be it enacted, That on or before the Thirtieth Day of November in each Year an Account of the Receipt and Expenditure of the Sums granted for Naval Services for the Year ended on the Thirty-first Day of March preceding, and on or before the Thirtieth Day of April in each Year similar Accounts of the Receipt and Expenditure of the Sums granted for Army, Commissariat, and Ordnance Services for the Year ended on the Thirty-first Day of March of the preceding Year, shall be transmitted by each Department charged with the Preparation of the said Accounts to the Commissioners for auditing the Public Accounts, who shall examine the said Accounts, and certify thereon as to the Correctness of the Sums therein charged, as compared with the Books and Vouchers of the several Departments; and the said Commissioners are hereby required to transmit Copies of the said Accounts, as examined and certified, to the Commissioners of Her Majesty's Treasury: Provided always, that if the Commissioners for auditing the Public Accounts shall discover any Inconveniences in the said Accounts of Receipt and Expenditure, they shall, if required so to do by the Commissioners of Her Majesty's Treasury, return the said Accounts, accompanied by Statements of the Errors discovered therein, to the respective Departments concerned, for Correction; and amended Accounts shall be prepared, and sent to the Commissioners of Audit.
Audit, by the said Departments, in lieu of the Accounts returned for Correction; and the said Commissioners shall transmit Copies of such amended Accounts, examined and certified as aforesaid, to the Commissioners of Her Majesty's Treasury.

No Impress to be charged in said Accounts.

Commissioners of Audit to have Access to Books, Orders, and Papers.

Objections made to Items of Account from Time to Time, when not satisfactorily answered, to be referred by Commissioners of Audit to the Treasury.

Auditors to append to each Account a Report, to be transmitted to the Treasury.

Accounts, and Auditors Reports thereon, to be laid before the House of Commons by the Treasury.

III. And be it enacted, That no Sum shall be charged in the said Accounts which may be of the Nature of an Imprest, or Advance of the Expenditure, or Application of which, an Account is to be subsequently rendered.

IV. And be it enacted, That the Commissioners for auditing the Public Accounts shall be allowed Access to all Books, Orders, and other Papers to which they may desire to make reference in the Progress of their Examination of the Account Books and Vouchers of the several Departments intrusted with the detailed Application of the Suma granted for Navy, Army, Commissariat, and Ordnance Services.

V. And be it enacted, That if during the Progress of the Examination by the Audit Office of the Books and Vouchers of the said Departments any Objections shall arise to any Item to be introduced into the Accounts of Receipt and Expenditure to be transmitted to the Commissioners of Audit as aforesaid, such Objections shall, notwithstanding the said Accounts shall not have been so transmitted, be immediately communicated by the said Commissioners to the Departments to which they may relate, and if the same shall not be answered to the Satisfaction of the Commissioners of Audit by the Officers in the said Departments to whom such Objections shall be addressed, the same shall be referred by the said Commissioners of Audit to the Commissioners of Her Majesty's Treasury, who shall determine in what Manner the Item or Items objected to shall be presented to Parliament.

VI. And be it enacted, That the Commissioners of Audit shall append to each Account a Report, to be transmitted to the Commissioners of Her Majesty's Treasury, in which they shall recitulate the several Heads of the Account under which the Sums expended shall have exceeded the Sums voted, giving under each Head the Explanation with which they may have been furnished of the Causes of Excess, and certifying that such Excesses have been sanctioned by the Commissioners of Her Majesty's Treasury, according to the Provisions of the annual Appropriation Act; and the said Commissioners of Audit shall moreover advert in their Report to any Items in respect of which, although admitted under the Provisions of this Act, their Objections shall remain unsatisfied.

VII. And be it enacted, That the Accounts of Receipt and Expenditure, together with the Reports of the Commissioners of Audit thereon, transmitted to the Commissioners of Her Majesty's Treasury, as aforesaid, shall be laid before the House of Commons by the said Commissioners of Her Majesty's Treasury on the Days aftermentioned, if Parliament be then sitting, or if not, in each Case within One Week after Parliament shall be next assembled; (sic.) the Naval Account of Receipt and Expenditure on or before the Thirty-first Day of January next following the Thirtieth Day of November herein-before mentioned, and the Army, Commissariat, and Ordnance Accounts of Receipt and Expenditure on or before the
the First Day of June next following the Thirty-first Day of March One thousand eight hundred and forty-seven.

VIII. And be it enacted, That this Act shall commence and take effect as to the Accounts to be rendered of the Application of the Grants for Naval and Military Services for the Year ending on the Thirtieth Day of March One thousand eight hundred and forty-seven.

C A P. XCVIII.

An Act for compensating the Families of Persons killed by Accidents.

WHEREAS no Action at Law is now maintainable against a Person who by his wrongful Act, Neglect, or Default may have caused the Death of another Person, and it is oftentimes expedient that the Wrongdoer in such Case should be answerable in Damages for the Injury so caused by him: Be it therefore enacted by the Queen's most Excellent Majesty, by and with the Advice and Consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the Authority of the same, That whenever the Death of a Person shall be caused by wrongful Act, Neglect, or Default, and the Act, Neglect, or Default is such as would (if Death had not ensued) have entitled the Party injured to maintain an Action and recover Damages in respect thereof, then and in every such Case the Person who would have been liable if Death had not ensued shall be liable to an Action for Damages, notwithstanding the Death of the Person injured, and although the Death shall have been caused under such Circumstances as amount in Law to Felony.

II. And be it enacted, That every such Action shall be for the Benefit of the Wife, Husband, Parent, and Child of the Person whose Death shall have so caused, and shall be brought by and in the Name of the Executor or Administrator of the Person deceased; and in every such Action the Jury may give such Damages as they may think proportioned to the Injury resulting from such Death to the Parties respectively for whom and for whose Benefit such Action shall be brought; and the Amount so recovered, after deducting the Costs not recovered from the Defendants, shall be divided amongst the before-mentioned Parties in such Shares as the Jury by their Verdict shall find and direct.

III. Provided always, and be it enacted, That not more than One Action shall lie for and in respect of the same Subject Matter of Complaint, and that every such Action shall be commenced within Twelve Calendar Months after the Death of such deceased Person.

IV. And be it enacted, That in every such Action the Plaintiff on the Record shall be required, together with the Declaration, to deliver to the Defendant or his Attorney a full Particular of the Person or Persons for whom and on whose Behaviour such Action shall be brought, and of the Nature of the Claim in respect of which Damages shall be sought to be recovered.

V. And be it enacted, That the following Words and Expressions are intended to have the Meanings hereby assigned to them respectively:

Commencement of Act.

An Action to be maintainable against any Person causing Death through Neglect, &c., notwithstanding Death of Person injured.

For whose Benefit Action shall be, and by whom to be brought.

Only One Action to lie, and Time of Commencement.

 Plaintiff to deliver a full Particular of the Person, &c.
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