

(1) Number of pages _____

(2) Date of repair _____

(3) Initials of the Referencer _____

MADRAS RECORD OFFICE.**Government of Madras.****W. DEPARTMENT.**

G.O. No.	611-12	Press Mis.
Dated	28 11	18 66.

Not to be folded or roughly handled

*Proceedings of the Madras Government, Public Works Department,
28th November 1866.*

No. 611. Read the following Proceedings of the Madras Government in the
Military Department:—

Communicating Orders of the Government of
India relative to the abolition of the Nagpore
Paymastership on the Paymaster, Hydera-
bad Subsidiary Force, being relieved of the
duty of paying the Hyderabad Contingent. (Here enter 23rd November 1866, No. 4,080.)

No. 612. ORDER THEREON, 28th November 1866, No. 3,788.

ACCOUNT, No. 47.

Ordered to be recorded.

(True Extract.)

(Signed) CHARLES A. ORR, Colonel, R. E.,
Secretary to Government.

Ed. S. T. Augustin.

MILITARY DEPARTMENT.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

Read the following papers:—

From the Secretary to the Government of India, Financial Department, Simla, 13th October 1866, No. 2627; to the Resident at Hyderabad.

I am directed to state that the Governor General in Council has determined to separate the receipts and charges of the Berars from those of British India, and to concentrate the accounts of the Hyderabad Contingent and the Civil and Public Works expenditure of the Berars in the books of the Deputy Accountant General, Hyderabad.

2. The Financial Resolution of this date, which gives effect to this decision, will be communicated to you through the Foreign Department.

3. It suffices to mention here that the account of Public Works expenditure of the Berars will continue to be audited by the Public Works Controller, Hyderabad, but will be adjusted, on his audit, to debit of the Berar revenues, on the books of the Deputy Accountant General, Hyderabad.

4. The accounts of the Hyderabad Contingent will, from the end of this year, cease to be rendered to the Military Accountant, Calcutta, and will be adjusted at once on the books of the Deputy Accountant General, Hyderabad.

5. It is necessary to provide for the local audit of the accounts of the Contingent.

6. The rules of pay and audit applicable to the Contingent, will, it is apprehended, be found to be simple. Regarding officers and men who are present on full pay, of course no difficulty can arise; and regarding officers on leave, and the substitutes for absentees, the rules are, it is believed, the same substantially as are applied in the Civil Department to Military Officers in Civil employ on Staff salaries. The Military Department will be asked to communicate to you a summary of the pay rules affecting all ranks, and of any others relating to Commissariat or other expenditure of the Contingent.

7. With the help of this summary, there can be no difficulty (if need be) in arranging for the local audit of the expenditure of the Hyderabad Contingent, in the office of the Deputy Accountant General, Hyderabad.

8. In view, however, to his taking other work connected with the Contingent, and also on the merits, it seems preferable that—at least during the incumbency of Lieutenant Colonel Briggs—your Military Secretary should audit the accounts of the Contingent; and if you concur in this view, the Governor General in Council will be glad to entertain any proposition you may submit for strengthening the Military Secretary's Office Establishment, should you consider additional help necessary.

9. The pay of the Contingent is now disbursed by the Paymaster of the Hyderabad Subsidiary Force, who is stationed at Secunderabad. As no regiments of the Contingent are stationed there, the Paymaster makes no cash disbursement to the Force;—even the troops at Bolaram (*viz.*, one battery and two regiments) being, it is presumed, paid by cheques on the Residency Treasury. The remainder of the Force is paid apparently by bills drawn or purchased by you on the stations where the regiments are serving.

10. I am to suggest the expediency of placing the Commanding Officers of regiments and batteries of the Hyderabad Contingent in direct account with the Deputy Accountant General, Hyderabad, who would keep a personal account with

each of them, in which he would debit them for funds advanced on estimate, by means of your bills, or by means of your treasury's payments to the troops at Bolaram, and would credit them with the amount of their Pay Abstracts as audited by your Military Secretary. The Commandants would not be required to keep any elaborate accounts: the state of their account of advances would be shown upon their monthly Pay Abstracts. In short, the system would be that which has been lately adopted for placing the Military Accountant in each Presidency in direct account with British Regiments; only it would be less encumbered with detail, in the degree that the pay accounts of a Native Regiment are simpler than those of a European Corps, and the mode of providing funds would be slightly different.

11. The Military Department will be asked to communicate to you a concise account of the existing procedure in paying British Regiments, and accounting for the payments, and to sketch for your assistance any modification thereof, which may be required to adapt the system to the regiments of the Hyderabad Contingent when they are in direct account with the Deputy Accountant General, Hyderabad.

12. The Paymaster of the Hyderabad Subsidiary Force, being thus relieved from the duty of paying the Hyderabad Contingent, will be able to pay the Nagpore Force instead, whereby the Paymaster-ship at Nagpore may be abolished, and the allowance for office establishment, and any Staff pay now given to the Secunderabad Paymaster for his payment of the Hyderabad Contingent, would also cease, to the relief of the Berar revenues.

13. In the Financial Resolution regarding the separation of the revenues and charges of the Berars from those of British India, an opinion is expressed in favor of putting the accounts of the Berars on the footing of those of Mysore, whereby the cash balance of the Berars will be separated from that of British India. This would render it desirable to lessen the transactions in supply bills between the Berars and British Indian Treasuries, if it can be done without entailing additional expense on the Berars. At present, the supply transactions affecting the Berars and the Hyderabad Contingent appear to originate in this wise, *viz.*, most of the regiments of the Hyderabad Contingent are in the territories under the direct rule of the Nizam, and the regiments so situated are placed in funds by Soucars' bills upon the stations of those regiments, which you purchase, partly, by other bills drawn upon Calcutta, or Benares.

14. Thus the surplus receipts of the Assigned Districts, which are eventually set in the accounts against the expenses of the Hyderabad Contingent, are not directly applied in making disbursements to the Contingent. Being unavailed of for those disbursements, they accumulate as a local surplus in the Berar Treasuries, whence that surplus is annually withdrawn by the Bombay Accountant General's drafts upon the Berars, as a set off against your drafts above mentioned, on Calcutta.

15. The supply operations of this kind are conducted under the disadvantage of your being obliged to offer bills on Calcutta, payable in Government Rupees, for Soucars' bills in favor of the regiments of the Contingent, payable in the

local currency. Government Rupees being at a discount, relatively to the local currency, that discount is a special loss in these supply transactions. As this loss falls on the Berar revenues, the Nizam may perhaps be induced to see the advantage of giving you bills at par on His Highness' Treasuries, at the stations of the Contingent, in consideration of your paying the equivalent in local currency at Hyderabad. In this case, the surplus receipts of the Berar Treasuries would be drawn by you to Hyderabad instead of being withdrawn by the bills of the Accountant General, Bombay, and an equal amount of your bills on Calcutta would cease. I am to enquire whether this arrangement is feasible, and whether it would cost less than the heavy charge attendant upon the present method of supply which is shown in the accounts as loss by exchange.

ORDERED that a copy of this letter be sent to the Foreign Department for information, and to the Military Department for the purposes indicated in paragraphs 6 and 11, and with a remark that, with reference to previous correspondence regarding the reduction of Pay Circles in the Madras Presidency, the Nagpore Paymastership may be abolished, when the Paymaster, Hyderabad Subsidiary Force, is relieved from the duty of paying the Hyderabad Contingent.

Ordered also, that a copy of the letter be sent to the Comptroller General of Accounts.

(Signed) J. E. COOKE,
Asst. Secy. to the Govt. of India.

EXTRACT from the Proceedings of the Government of India, Financial Department, Simla, 13th October 1866, No. 2628.

Read the following correspondence regarding the receipts and charges of the Berars:—
To Comptroller General of Accounts, No. 191, dated 11th May 1865, requesting him to submit an account of all the receipts and charges of the Berars in all Departments, since the Treaty of 1860 up to 1864-65.

From Comptroller General of Accounts, No. 1031, dated 25th June 1866, submitting an abstract of receipts and charges on account of the Berars, from the date of the last Treaty to 1864-65, together with detailed accounts current for each year.

To Comptroller General of Accounts, No. 1469, dated 13th July 1866, inquiring, among other particulars, whether the 7½ lakhs due from the Nizam on account of His Highness' debt, which is mentioned in the Auditor General's letter, No. 647, dated 20th August 1862, had been adjusted in the abovementioned accounts.

From the Comptroller General of Accounts, No. 1552, dated 27th July 1866, forwarding an amended abstract of the receipts and charges of the Berars from the date of the last Treaty to the end of 1864-65.

RESOLUTION.—The Governor General in Council observes that by the Treaty with the Nizam, the Government of India is not required to furnish to His Highness any accounts of the receipts and charges of the Berars; but it is nevertheless obligatory on the Government to pay over surplus collections, at certain intervals, after deducting all the expenses of the administration of the Province, the cost of the Hyderabad Contingent, and certain other items which are charged on the revenues of the Berars by the Treaties of 1853 and 1860.

2. Accounts current similar to those submitted by the Comptroller General of Accounts, may be adopted as the basis for determining the amount of any surplus which should be paid over to His Highness the Nizam at convenient intervals.

3. The abstract of the receipts and charges shown in the accounts current, is as follows:—

RECEIPTS.				CHARGES.			
	RS.	A.	P.		RS.	A.	P.
1860-61 ...	...	...	...	...	...	...	...
1861-62 ...	20,66,094	10	7	...	15,15,706	11	6
1862-63 ...	39,42,533	12	8	...	35,99,428	6	0
1863-64 ...	42,35,344	12	3	...	36,81,028	6	4
1864-65 ...	43,09,929	1	7	...	40,47,832	9	10
...	46,97,269	8	1	...	46,00,992	4	9
				1,74,43,988	6	5	

Interest due on the Nizam's debt
previous to its cancelment.—
See Financial Order No. 892A
of 18th November 1862

7,25,000 0 0

1,9-,51,174 13 2 ... 1,81,68,988 6 5

4. The surplus actually in hand at the end of 1864-65, after paying to the British Government the large sum of Rupees 7,25,000 for interest formerly due by the Nizam, was Rupees 10,82,186-6-9. This is subject to correction in some points, as explained in the letter of the Comptroller General of Accounts, dated 25th June 1866, and in the reply thereto; and as the Governor General in Council understands that the expenditure of the Berars for 1865-66 and 1866-67, will probably exceed the income, His Excellency is of opinion that payment of any surplus should be deferred till the account to the end of 1866-67 shall have been made up.

5. Meanwhile, a copy of the detailed accounts submitted by the Comptroller General of Accounts should be furnished to the Resident at Hyderabad through the Foreign Department, with a request that he will report whether he considers them correct. It is possible that items not fairly debitable against the Berars may have been entered; at any rate it will be satisfactory to have them put on a clear and definite footing; and to this end, the Comptroller General of Accounts will once more review the charges as to the propriety of their debit to the Berars, and will communicate to the Resident any further explanation which he may require, regarding the classes of items embraced in any of the principal heads. For instance, the Resident at Secunderabad has been carefully excluded, and whether, under the head of Military charges, any, and if so, what expenses not incurred directly for the Hyderabad Contingent have been included.

6. The Governor General in Council would not debit to the Berars anything unconnected with the cost of the administration and the accounts, beyond what is now done under specific orders, or under specific mention in the Treaties of 1853 and 1860, of the particular items that are chargeable to the Berars. The Civil and Public Works Estimates of the Berars, in conjunction with those of the Hyderabad Contingent, should comprise every charge requisite for the fulfilment of the 4th Article of the Treaty of 1860, but should not relieve the general revenues from any charge which would be incurred, if the Berars were merely a protected State.

7. With regard to the periodical payment of the surplus revenue of the Berars to the Nizam, the Governor General in Council observes that the discretion of the Government of India, in the expenditure of the revenues of the Assigned Districts, is limited only by their estimate of the necessities of the Province; but the fair construction of the Treaty requires that some rule should be laid down with reference to the equitable claims of His Highness. It is obvious that a sufficient reserve must be maintained; but after thus retaining a fair and moderate surplus at the end of the current year 1866-67, the Governor General in Council will pay over the balance to the Nizam, should there be any surplus, and will do the same hereafter at the end of every three years.

8. In connexion with the payment of the surplus revenue of the Berars to the Nizam, the

Financial Resolution No. 14874, dated 28th Dec. 1861.
Letter to Auditor General, No. 340, dated 14th Jun. 1862.
Do. do. " 892A, " 18th Nov. 1862.
Do. do. " 3310, " 22nd July 1863.
Do. do. " 4239, " 31st Aug. 1863.

Government of India has re-considered the Orders quoted on the margin, regarding the inclusion of the receipts and charges of the Berars among the general revenues and charges of British India.

9. The Assigned Districts being held in trust for the Nizam, the accounts of those Districts have properly no place in the general Budget Estimate of Revenue and Expenditure, and they should accordingly be excluded from the estimates and accounts of the revenues and charges of British India from 1857-68, inclusive.

10. Accordingly, the accounts of the Hyderabad Contingent, and of the Public Works expenditure in the Berars, will be separated from the existing system of Military and Public Works Accounts, in so far that from 1867-68 they will close into the Books of the Deputy Accountant General, Hyderabad.

11. Thereby the Military Public Works, and Civil Accounts of the Berars, will be concentrated at the station of the Hyderabad Residency.

12. The expenditure of the Hyderabad Contingent will be adjusted by the Deputy Accountant General as a charge of the Berars on a local audit, the measures for which will be arranged in communication with the Resident. The Public Works expenditure of the Berars, as distinguished from that for the Force at Secunderabad, will be similarly adjusted in the Civil Books on the audit of the local Controller of Public Works Accounts.

13. The Military Public Works and Civil Accounts of the Berars being thus separated from those of the general revenues and charges of British India, the question remains whether they should be retained as formerly under debt, or should be put upon the footing of the Mysore accounts.

14. If the receipts and charges of the Berars be retained under debt, the cash balance in the Berar Treasuries will continue to be incorporated, as at present, in the cash balances of British India, but if they be put on the footing of those of Mysore, the cash balance of the Berars will be separated from that of British India.

15. The Governor General in Council gives the preference to the latter course, but before passing final orders on the point, will await a report from the Comptroller General of Accounts. If the accounts of the Berars be put on the footing of those of Mysore, the cash balance in the Assigned Districts, which now appertains to the Government of India, will have to be settled for by the Resident on the part of the Nizam, probably by taking it over eventually in payment of an equal amount of surplus due to the Nizam.

ORDERED that a copy of this resolution, and of the correspondence read in the preamble, as also of the enclosures of that correspondence, be sent to the Foreign Department for information and for communication to the Resident; also, that the resolution be communicated to the Military and Public Works Departments, the Comptroller General of Accounts, and the Deputy Accountant General, Hyderabad.

Also, that a copy of the resolution be sent to the Home Department for consideration of the principle on which the receipts and charges of the Postal and Telegraph Departments, as affecting or affected by the Berars, should be apportioned between British India and the Berars, if they are not to be treated as purely imperial which they seem to be.

(Signed) E. H. LUSHINGTON,
Secy. to the Govt. of India.

MILITARY DEPARTMENT, THE 2ND NOVEMBER 1866.
No. 40.

Copy of the above forwarded to the Secretary to Government, Fort Saint George, Military Department, for information, with a request that His Excellency the Governor in Council may be moved to arrange for the abolition of the Nagpore Paymaster-ship, when the Paymaster, Hyderabad Subsidiary Force, is relieved from the duty of paying the Hyderabad Contingent.

By order,
(Signed) B. E. BACON, Lieut.-Colonel,
Offg. Secy. to the Govt. of India.

ORDER, No. 4080, 23rd November 1866.

Communicated to the Controller of Military Accounts, who will give effect to the instructions of the Government of India, as directed in the foregoing Order.
(True Extract.)

Phasdale Major General,
Secretary to Government.

To the Controller of Military Accounts.

„ Military Accountant.

„ Examiner Pay Department.

„ Public Works Department,

„ Adjutant General,.... ..

with 20 spare copies.
for information.

Exd. J. E. Cashart.

25
P. W. B. Depo.
Pro. of Govt. for November
1864

P. W. of the Master's
in the Mily. Depo.

\$ 23.
Dec 26. } 1864

1864

Communicating
orders of the Govt. of
India relative to the
abolition of the Nagpore
Paymaster-ship, on
the Paymaster, Hydera-
bad Subsidiary Force,
being relieved of the
duty of paying the
Hyderabad Contingent.

Written
Dec. 3788 - 28th Nov. 1866.

Dec 3788

Pro. of Govt. (the) recurrent

Dec 11. 612.

Start at 12.00
28th Nov. 1866

1866

1866