M.R.O. 1—82,000—16-10-29.

MADRAS RECORD OFFICE.

Government of Madras.

Political DEPARTMENT.

G.O. No. 229 Press ~~Misc.~~

Dated 5-6-1862

Not to be folded or roughly handled

Cl 14-2-31

14

Proceedings of the Madras Government, Political Department,
5th June 1862.

No. 16. Read the following Proceedings of Government in the Military Department, dated 30th May 1862, No. 1,961.

Differing from the Officiating Commissioner Mysore in opinion in reference to the reduction recommended by him in the Native Force at present maintained in the Cantonment of Bangalore, and referring the question to the Commander-in-Chief for any further observations His Excellency may have to offer on the subject. (Vide Proceedings Military Department, dated 30th May 1862, Nos. 616 & 617.)

No. 17. ORDER THEREON, 5th June 1862, No. 229.

Government will await the reply to the reference made to His Excellency the Commander-in-Chief on the subject, adverted to in the foregoing letter.

(Signed) A. J. ARBUTHNOT,
Acting Chief Secretary.

Exd. T. O'Connor.

Military Department

No. 1961

With reference to Para: 2 of the foregoing Order, the Governor in Council observes that the late Provincial Commander in Chief, in reporting on the subject of the Military Force of this Presidency, stated that, with the present reduced strength of Corps, three Native Infantry Regiments at Bangalore were no more than necessary. The present Commander in Chief, likewise, recently recorded his opinion that "in times of peace and quiet" the Regiments in this Presidency are well placed and expressed his unwillingness to "interfere with any part of the Native Force".

Para. 8 of the Dy: Sr. Mr: Genl's Letter No. 66 215 8/12 Septr: 1861 recorded in Bgs No. 3227 7/13 Decr

Letter from the Sr: Mr: Genl: of the Army recorded in Bgs: 1695 of 9th May 1862.

2. In these views the Govt: concur - and further appears to them that it would be advantageous to the Mysore Province, that the Troops proposed by the Commissioner to be withdrawn thence, should remain at Banga- -lore inasmuch as, while the retention or removal of the Troops in question would not affect the amount of the stipulated subsidy paid by the Mysore State to the British Government, the Effect on the local circulation of the expenditure of two Regts., cannot but be beneficial to the people and Government of the country.

3 It is absolutely necessary that

a reserved Force should be maintained somewhere and both on Military and Sanitary grounds, and Bangalore is the most eligible station for that purpose, while the surrounding country affords ample opportunity for the practical instruction of the Troops brigaded there.

4. With these remarks, the Governor in Council resolves to refer the question raised by Mr. Saunders to the Commander in Chief, for any further observations His Excellency may desire to offer on the subject.

30th May 1862. [illegible] Secretary to Govt.

To the Political Department

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3X

POLITICAL DEPARTMENT.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

Read the following letter from C. B. SAUNDERS, Esq., Officiating Commissioner for the Government of the Territories of His Highness the Maharajah of Mysore; to the Secretary to the Government of India, Foreign Department, Fort William, dated Camp at Mercara, 14th January 1862, No. 11.

I have the honor to acknowledge the receipt of Mr. Under Secretary Aitchison's Circular docket No. 303 of the 10th ultimo, giving cover to copy of a letter from Mr. Lushington, No. 13,427 of the 11th of November last, and to copy of a Financial Resolution of His Excellency the Governor General in Council of the same date.

2. Paragraph 3 of the Resolution above referred to, not only places Mysore among the defaulters to the extent of Rupees 38,46,000, but further distinctly leaves it to be inferred that in the case of this Province no corresponding payment is made to balance the disbursements on account of such a crushing Military expenditure.

3. Again in paragraph 28 the local administrations are reminded that the initiative in proposing measures of reduction, even in the case of Military charges, must not be considered beyond their immediate control.

4. With reference to these two paragraphs, I would beg most respectfully to be allowed to submit a few remarks for the consideration of His Excellency in Council, as it appears to me from the Statements received with His Excellency's Resolution, that the Madras Government has obtained a most undue advantage at the expense of Mysore by the peculiar form in which their accounts have been drawn up and submitted to the Supreme Government.

5. His Excellency is already aware that there are two distinct Treasuries under the control of the Mysore Commissioner, the accounts connected with which are kept entirely distinct. One being designated the Mysore Huzoor Treasury and the other Her Majesty's Treasury. Into the first flows annually the whole revenue of the Province and over it the Commissioner in his position as Administrator of the affairs of Mysore, has been vested with considerable powers; and out of it is paid annually into Her Majesty's Treasury for the maintenance of the Military Force in Mysore a sum under treaty of Rupees 24½ lakhs as well as under a separate and subsequent arrangement Rupees 50,000 on account of rental for the British Island of Seringapatam, the loss under which head to the Mysore State is seldom less than Rupees 35,000. The above two items of payment aggregate 25 laks of Rupees. The other Treasury designated Her Majesty's is simply and emphatically neither more nor less than a Branch Bank or Office under the Commissioner's *supervision* maintained by the Madras Accountant General, to enable him to disburse with greater facility the ordinary payments to all the Military Establishments belonging to the Madras Government in and around Mysore, and from a careful comparison of the accounts in this Office with the figures given in His Excellency's Resolution, it is apparently these disbursements, made through their own branch Office here and under the authority of their own Accountant General, that the Madras Government has doubtless found it convenient to place in their accounts as Mysore Military expenditure, while by a singular oversight no corresponding credit for the 25 lakhs which is received annually from this Province has been shewn as a set off in favor of Mysore in its Financial relations with the Madras Presidency. The above sum however has apparently been carried to the General Revenue Collections of the Madras Government under the heading marginally given.* The advantage which the Madras Accounts derive from such a system of entering their Liabilities and Assets will be apparent without much comment on my part, but still I should wish to say a few words on the subject of the Establishments paid from this Office, with a view to shew more clearly and forcibly the extent to which any person not conversant with the facts may be misled by the form in which the accounts have been rendered.

* Tributes and Contributions on account of Contingents from Native States.

6. Under the Orders of the Madras Government, disbursements on a large scale are made under the following heads from Her Majesty's Treasury :—

1. Bangalore Force.
2. Troops at Hurryhur.
3. Troops at the French Rocks.
4. Remount Agency at Oosoor.†
5. Bangalore Commissariat.
6. Training and Manufacturing Depôt at Hoonsoor.
7. Pensioners, Civil, Political, &c.

†Beyond the limits of Mysore 26 miles south of Bangalore.

To this the pay of the Accountant General's own Establishment here and some miscellaneous items have to be added.

7. For all these disbursements Her Majesty's Treasury in my Office stands simply in the position of a deposit Bank, which is supplied with money in the first instance by the subsidy, and should that not suffice to meet the Accountant General's requirements by a remittance of coin from Madras or some of the neighbouring Collectorates.

8. Errors of account may occur, and under the circumstances above explained, it is possible that some confusion of ideas may have arisen in the minds of those who framed the Madras accounts, but even under such circumstances it is difficult to imagine by what line of reasoning the compilers of the Madras Financial Statement could have arrived at the conclusion that it was correct to place to the debit of a Foreign State the whole expenditure on account of the Remount Agency of the Madras Government situated beyond the limits of Mysore, their Bullock and Training Depôt and their Timber and Accoutrement Manufactory at Hoonsoor and credit virtually without acknowledgment to their own Revenue, instead of to the Province, the subsidy of 24½ lakhs annually paid over by Mysore. By this arrangement they have in their accounts caused Mysore to figure as an expensive Military appanage, and have shewn a balance of 22 lakhs surplus available for imperial purposes, but I would beg to submit as a question for consideration, what form the Madras balance sheet would assume were that Government to debit their accounts with the above named Establishments and credit Mysore instead of Madras with the subsidy of 24½ lakhs.

9. As far as I am able to see, had the accounts of the Madras and Mysore Governments been submitted in a more accurate form they would have stood more nearly as given below :—

1	2	3	4	5	6	
	Receipts.	Disbursements.	30 per cent. on Receipts towards Imperial and general charges	Total of columns 3 & 4 being quota of charges to be provided for.	Difference between columns 2 & 5.	Remarks.
Madras Presidency exclusive of Mysore Subsidy but inclusive of the Establishments and Departments (given below) incorrectly debited to Mysore.	6,36,80,000	4,50,31,266	1,91,04,000	64,13,55,266	4,55,266	Deficit.
Mysore exclusive of charges on account of Madras Remount Agency, Hoonsoor Depôt, Pensions and Postal Departments.	24,50,000	28,42,445	.....	.....	3,92,445	Excess not provided for by the subsidy.

or crediting Mysore with the amount of rental paid for the Island of Seringapatam, the result will be as follows :—

1	2	3	4	5	6	
	Receipts.	Disbursements.	30 per cent. &c., &c., &c.	Total of columns 3 & 4.	Difference between columns 2 & 5.	Remarks.
Madras Presidency exclu- of Mysore Subsidy, †Seringapatam rental, but inclusive of the Establishments and Departments (given below) incorrectly debited to Mysore.	6,36,30,000	4,50,31,266	1,90,89,000	6,41,20,266	4,90,266	† Deficit.
Mysore exclusive of charges on account of Madras Remount Agency, Hoonsoor Depôt, Pensions and Postal Departments.	25,00,000	28,42,445	.....	.....	3,42,445	Excess not provided for by the Subsidy or other payments.

The mode of arranging the accounts adopted at Madras is not even fair towards the Imperial Exchequer as by showing to the debit of Mysore instead of Madras, the expenditure on account of such Establishments as the Remount Department and Training Depôt, simply because at the request of the Madras Accountant General, the disbursements are made from my Office, the Imperial Revenues become debited with the amount as General or Political charges, and the amount expended on these Establishments goes to the credit of the Madras Government, for if it did not, the charges would be duplicated in the accounts.

10. The amount given as Mysore Military Expenditure for 1860-61 is stated in the Resolution to be Rupees 38,46,000. I beg to append for the inspection of His Excellency in Council two concise Statements shewing the sums under all the different heads disbursed in 1860-61* on account of the Madras Government, and from these Statements, I am led to infer that with the exception of the disbursements on account of the Imperial Postal Department, the whole expenditure of that Government for the year referred to made from Her Majestys Treasury at Bangalore has been debited to Mysore; the amounts as marginally shewn closely approximate.

* And for four years previous.

Madras Government expenditure in Mysore	Rs.	39,61,928
Postal Department	,,	1,35,667
Balance Rupees...		38,26,261
Mysore Military Expenditure as given in the Government Resolution	Rs.	38,46,000

11. I have to add that the force in Bangalore is now larger than it has been for some years, I have no desire to recommend any reduction in the European Force which is marginally given; but I think the Native Force at present maintained in this Cantonment and which for easy reference is marginally given, might with advantage to the Finances and without detriment to the public interests be reduced to two Native Regiments of Infantry, a Battery of Artillery and a Company of Sappers, by which arrangement the amount of the legitimate charges on account of the Military expenditure of the British Government in Mysore will be

EUROPEAN.
3 Batteries of Artillery.
1 Regiment of Dragoons.
1 Do. European Infantry.

NATIVE.
1 Battery of Artillery.
1 Company of Sappers.
1 Regiment of Light Cavalry.
3 Regiments of Native Infantry.

made more nearly to assimilate with the amount of the subsidy, &c., received from the Mysore State.

12. In conclusion I would beg to state that the remarks which I have deemed it my duty on the present occasion to submit for the information and consideration of His Excellency the Governor General in Council, have not been put forward from any desire on my part to exhibit the financial results of the Madras Presidency in a disadvantageous aspect by proving the existence of a deficit in lieu of a surplus of receipts over expenditure, but have been framed simply in justice to the financial relations of the Mysore State with the British Government and in accordance with the spirit and tenor of the Government Resolution under acknowledgment which so clearly and emphatically lays down the principle of each division of the Empire being required to provide as far as may be practicable for the expenditure incurred within its own limits.

No. 374.

Transferred to the Financial Department for disposal, with reference to their Office Memorandum, dated 11th November 1861.

(By Order &c.)

(Signed) C. U. AITCHISON,
Under Secy. to the Govt. of India.

FOREIGN DEPARTMENT,
FINANCE,
The 20th March 1862.

No. 2,787.

FORT WILLIAM, FINANCIAL DEPARTMENT, the 22nd April 1862.

Copy forwarded to the Government of Madras, with a request that they will, in communication with their Deputy Auditor and Accountant General, submit such remarks as they may think fit.

By Order of His Excellency the Governor General in Council.

(Signed) E. DRUMMOND,
Offg. Secy. to the Govt. of India.

Statement shewing the Receipts in Her Majesty's Treasury under the Commissioner of Mysore at Bangalore for 1860-61.

	Company's Rupees annually.
Amount of Tributes and Contributions from the Mysore State at 2,04,166-10-8 per mensem (according to Treaty),...	24,50,000
Ditto Commutation for the Collections of the Island of Seringapatam payable by the Mysore State...	50,000
Total Company Rupees...	25,00,000

MYSORE COMMISSIONER'S OFFICE,
CAMP AT MERCARA,
14th January 1862.

(Signed) C. B. SAUNDERS,
Officiating Commissioner.

Statement shewing the Disbursements in Her Majesty's Treasury under the Commissioner of Mysore at Bangalore from 1856-57 *to* 1860-61.

Years.	Military Paymaster in Mysore.				Commissariat at Bangalore.	Commissariat at Hoonsoor.	Agent for Remounts at Oossoor.	Amrut Mahal Department.	Pensions under different heads.	Miscellaneous.	Post Office.	Total.	Remarks.
	Cantonment of Bangalore.	Cantonment of French Rocks.	Cantonment of Hurryhur.	Total.									
1856-57	24,57,985	1,67,108	1,19,620	27,44,713	.....	.....	.....	28,567	38,915	4,250	26,675	28,43,120	
1857-58	25,19,747	1,38,358	1,15,191	27,73,296	.....	.....	4,78,130	28,203	21,201	4,012	98,452	34,03,294	1½ Lac of Rupees has been paid to Remount Agent for purchasing Horses.
1858-59	23,84,317	1,16,692	1,04,959	26,05,968	1,84,962	1,11,000	10,73,078	28,033	53,495	15,585	1,02,902	41,75,023	7½ Lacs of Rs. do. for do. do.
1859-60	24,31,061	1,38,360	1,15,200	26,84,621	3,04,927	1,63,700	10,63,772	24,841	39,156	*2,62,162	1,53,450	46,96,629	* Includes 2,47,836 Rupees paid as Batta to Silladars who proceeded to Her Majesty's territories.
1860-61	25,21,285	1,50,000	1,38,000	28,09,285	4,18,683	1,64,808	3,31,505	25,786	43,034	33,160	1,35,667	39,61,928	

MYSORE COMMISSIONER'S OFFICE,
CAMP AT MERCARA,
14th January 1862.

(Signed) C. B. SAUNDERS
Officiating Commissioner.

ORDER THEREON, 20th May 1862, No. 196.

Resolved, that a copy of the letter recorded in the foregoing Proceedings be furnished to the Deputy Auditor and Accountant General, as well as to the Controller of Military Finance, for any remarks that they may desire to offer thereon so far as it relates to their respective Departments.

2. A copy will also be furnished to the Military Department for any remarks that may be deemed necessary, in reference to the reduction recommended in paragraph 11 in the Native Force at present maintained in the Cantonment of Bangalore.

(True Extract.)

Signed A. J. Archbuthnot.

Acting Chief Secretary.

To the Deputy Auditor and Accountant General.
" Controller of Military Finance.
" Military Department.

Exd. F. Cartledge

dated 13th June

Political 1862 Dept

Pros: of Govt in the Milty Dt 1961.

Dl 30th May & 2nd June 1862.

No 249

Differing from the Hy Commissioner Mysore in opinion in reference to the reduction recommended by him in the native force at present maintained in the Cantonment of Bangalore & referring the question to the Commander-in-Chief for any further observations H.E may have to offer on the subject

With an Order

16417

Order thereon 5 June 1862 No 229

Govt will await the reply of the reference made to His Excellency the Commander-in-Chief on the subject submitted in the foregoing letter.

[signature]