

CHAPTER XI.

Chamaraja Wodeyar X—1881—1894.

Appointment of Sir K. Seshadri Iyer as Dewan—Steps taken to improve the finances of the State.

The choice of a Dewan for a Native State is always a matter of some difficulty as a number of conflicting claims require to be balanced before any decision can be arrived at. At this time three candidates were prominently mentioned for the place. The first was P. N. Krishna Murthi who was a direct descendant of the great minister Purnaiya and the fifth holder of the jahagir of Yelandur granted to his ancestor. Krishna Murthi was regarded as the first nobleman of the country. He was 32 years of age. The other two T. R. A. Thumboo Chetty and K. Seshadri Iyer though they came as strangers to Mysore had served long under the Mysore Government. Thumboo Chetty was 46 years old and Seshadri Iyer 38 years. The official status of all these officers was more or less equal, Krishna Murthi and Seshadri Iyer being heads of districts and Thumboo Chetty a District Judge. Krishna Murthi from his long ancestral connection with the State had considerable local support, though he was the youngest of the three. Thumboo Chetty had a reputation for rectitude and conscientious discharge of duty. He was already a member of the State Council though in an ex-officio capacity. Seshadri Iyer was yet unknown to the people as possessing any special merits. It took about 3 weeks for the choice to be made and it was at last announced that the Maharaja had selected Seshadri Iyer as his Dewan. The announcement evoked no enthusiasm at the time and it is said that it took even Seshadri Iyer by surprise. He had begun his official life in 1866 as Translator in the Collector's office in his native town of Calicut in the Madras Presidency and later there being need in Mysore for the services of capable English-knowing men, Seshadri Iyer at the suggestion of Rangacharlu was appointed Judicial Sheristadar in the Superintendent's office at Mysore, which post he joined on the 30th October 1868. He took the B.L. Degree of the Madras University in 1874. In 1879 he was Deputy Commissioner and

District Magistrate of one of the districts and from August 1881 he had been placed on special duty in the Dewan's office under Rangachariu. Seshadri Iyer entered upon his new duties with great earnestness and wisdom and proved himself a man of undoubted talents.

The finances of the State, as we have already seen, were in a disorganised state and on assuming office the new Dewan found that he was faced with a serious situation which required prompt attention. The retrenchments begun in 1878-79 and continued even after the Maharaja came to power did not yield a saving of more than 8 lakhs of rupees a year. The average annual revenue as then developed was not expected to bring in more than 102 lakhs which included the cost of collection Rs. 10½ lakhs. Against the net amount of Rs. 91½ lakhs were ear-marked certain fixed charges amounting to about Rs. 48 lakhs such as the Subsidy, the Civil List, Interest on Famine and Railway loans. Early in 1884 the British Government took over under its direct management from the Durbar the administration of the Assigned Tract forming the Civil and Military Station of Bangalore and the surplus revenue which this tract was yielding was thereby lost to Mysore. The available amount for public works and civil administration was less than 44 lakhs of rupees. The average total expenditure of the State on the minimum calculation could not, it was found, be reduced below Rs. 99½ lakhs and the State was therefore faced with a deficit of 7 to 8 lakhs of rupees a year, unless a remedy was found in time. On account of the large departmental reductions already noticed the administration had become very much centralised and in the hands of the Dewan was concentrated the control of all the principal departments such as the Land Revenue, Forests, Excise, Mining, Police, Education, Muzrai and Legislation, and it had become apparent that without close supervision by separate departmental heads the work of the departments must deteriorate, as it was impossible for one man, whatever his capacity, to do justice to this extraordinary multiplicity of work.

Seshadri Iyer's first attention in the circumstances in which he was placed was naturally turned to find means of meeting the deficit

and finding funds for improving the efficiency of the administration. It should be said to his credit that in 1884 only a little more than a year after he became Dewan when he had yet to consolidate his position, he made bold to put forward a strong plea for the payment of the surplus revenue of the Station and even carried an appeal to the Secretary of State, though without success. The surplus however that had accumulated till then was allowed to be appropriated towards a partial payment of the Subsidy.

Seshadri Iyer took this disappointment calmly and turning his attention to the enhanced Subsidy of Rs. 10½ lakhs and finding that the period during which it had been suspended had only two years more to run submitted with the full concurrence of the Maharaja a vigorous representation to the Government of India for the remission of this new burden. There was, he said, no special elasticity about the revenues of Mysore. In the first three decades of the 19th century the annual average revenue was Rs. 86¾, Rs. 86¼ and Rs. 76 lakhs respectively. In the first three decades after the British assumption of the Government in 1831 it was Rs. 70¼ lakhs, Rs. 76 and Rs. 84½ lakhs respectively. The subsequent increase whereby the maximum average of Rs. 105 lakhs was reached in the decade before the famine was due to rise in prices owing to such exceptional causes as the American Civil War which caused a great demand in England for Indian cotton on account of the supply from America having failed. Agricultural operations in Mysore depended upon a rainfall which was most uncertain. The Revenue Survey and Settlement was not expected to produce any large increase and required also a long number of years for its completion. The incidence of taxation taking into account the Rs. 12 lakhs which the Mysore population was contributing to the salt revenues of British India was already so high as Rs. 2-4-0 per head per annum and increase of revenue by additional taxation was therefore out of question. The country was likely to require half a century to recover from the terrible loss of population and property due to the famine. An income thus reduced without any immediate prospect of any material growth had also to meet some new charges such as interest on Famine and Railway loans, the increase to the Civil List, augmentation of pensionary

charges, remuneration of village servants in taluks where the new Survey and Settlement had been introduced in substitution of *Mirasi* or grain payments. The enhancement of the Subsidy to Rs. 35 lakhs in these circumstances would, urged Seshadri Iyer, reduce the amount required for the ordinary administration of the country to a sum with which it was impossible to maintain good Government. The extension of the railway line to Harihar which was the terminus of the Southern Mahratta Railway was an important work of famine protection and it was a duty in the eyes of the Mysore Government to execute it without any delay.

J. B. Lyall was the British Resident at this time and had succeeded Sir James Gordon the first Resident who retired from service and proceeded to England on account of illness. Lyall's abilities were of a high order and his political views were of a statesmanlike character. Seshadri Iyer's representation strongly supported as it was by the new Resident received sympathetic consideration at the hands of the Government of India as well as of the Secretary of State, with the result that the extra levy of Rs. 10½ lakhs was further postponed for a period of 10 years till the end of March 1896. In his address to the Representative Assembly in October 1885 the Dewan in expressing gratitude for this boon on the part of the British Government said that it was only a fresh but a very signal illustration of the generous treatment which the Mysore State had invariably received at the hands of the Paramount Power, for it enabled the Mysore Government to maintain the administration at least at the standard of efficiency as it stood then.

No Government however, it was recognised, could be content with merely marking time or doing the routine business that came to its hands from day to day. All the departments were in great need of improvement and a scheme of decentralisation was an urgent necessity. Immediate measures also were necessary to afford the country protection against the uncertainties of seasons, not to speak of the distresses deepening into famines at times. The liquidation by instalments of the debt due to the Government of India as well as the payment of interest at 5 per cent per annum

imposed a great strain on the finances of the State as they stood at the time. Some way however had to be found for the immediate introduction of some of the improvements which were essential for the normal life of the country. During the famine of 1876-78 the tracts of country that suffered most were over 50 and 100 miles from the nearest railway and the area now situated on either side of the Bangalore-Harihar line was found to have suffered the severest distress and this part of the country therefore needed the earliest protection from the spectre of a future famine.

The State had already constructed 141 miles of railway from Mysore to Gubbi from its own resources supplemented by a public loan of Rs. 20 lakhs and it was also in a position to carry the line as far as Tiptur. The line from Tiptur to Harihar 125 miles in length had already been surveyed. But the construction could not be undertaken as the resources of the State, it was found, could not be safely relied on to yield a surplus revenue every year and even then it would be many years before the line could reach Harihar. In these circumstances the Durbar agreed to a proposal made by the Government of India that the extension from Gubbi to Harihar should be executed with foreign capital. The Secretary of State on behalf of Mysore negotiated a loan with the Southern Mahratta Railway Company of £1,200,000 at 4 per cent interest per annum on the hypothecation of the whole line including the line from Mysore to Tiptur and the Company also was entrusted with the work of construction from Tiptur to Harihar. This measure enabled the Durbar to discharge in full in 1889, earlier than it would have been otherwise possible, the famine debt of Rs. 80 lakhs due to the Government of India by appropriating for that purpose the amount of the refund of a little over 68 lakhs, the cost incurred by the Mysore Government till then for the construction of the line upto Tiptur.

By this time the Durbar was also relieved to a very large extent of its financial embarrassments by the growth of its land revenue and by the development of other sources of revenue. The land revenue which had suffered greatly from the effects of the famine reached Rs. 87 lakhs in the year 1886-87 out of which excluding the

collections of old arrears, 80 lakhs of rupees was regarded as the amount of normal land revenue per year.

Among the other items of revenue which contributed to the growth of the finances might be mentioned Excise, Forest and Gold Mining. The Abkari or the excise revenue yielded in the year 1881 only a little over Rs. 10½ lakhs and by 1892-93 the year previous to that of Chamaraja Wodeyar's death it almost trebled itself. This large increase was due not to any extraordinary growth of intemperance on the part of the consumers but to the adoption of more effective measures to intercept the revenue which was going into other pockets and to divert it to the State treasury. As regards arrack, the policy followed was one of gradual enhancement of duty. In 1881 there existed differential rates of duty per gallon in different parts of the State. But these varying rates were later assimilated to a uniform rate while the selling price continued at the old rate. Further, all outlying distilleries were abolished and a new system of manufacture and distribution under centralised control was introduced. In 1892 the manufacture of arrack was separated from that of distribution. By this measure the Government was able to attract to the business of manufacture the capital, resources and technical knowledge of a large Madras firm Messrs. Parry & Co. and thereby to reduce the cost of the manufactured article. The right to vend liquor was separately sold throughout the State. In the case of Bangalore and Mysore cities and the Kolar Gold Fields individual shops were sold and elsewhere clusters of villages and only in a few cases entire taluks. The work of vending was thus placed in the hands of persons of local knowledge whose watchfulness in their own interest was a most useful check upon illicit distillation in their respective tracts. The increase of duty which involved no increase of price to the consumer and of the sale of the right of vend had the effect of securing to Government money which till then formed the profits of middlemen.

As regards toddy, the system in existence was one of eight large District Farms for the entire State. These farms were given out for terms of three years for the highest tender by a limited

number of persons whose standing in the business practically excluded all outside competition. Under this system owing to the existence of a series of middlemen between the Government and the contractor the State did not derive its proper share of the revenue and owing to the want of sufficient control the date groves themselves deteriorated to such an extent as in some places to imperil the toddy revenue of the future, while in many instances the quality of toddy supplied to the public was so bad as to drive many persons accustomed to this comparatively innocent drink to the more harmful arrack. To remedy these defects, the eight large farms were divided into smaller farms numbering 1236. The increase of revenue was due not to any increase in the number of shops but almost entirely to the abolition of needless intermediaries between the Government which owned the date groves and the small farmer who supplied a certain number of shops from a particular grove or part of a grove.

There was a progressive rise in the Excise revenue during the thirteen years of Chamaraja Wodeyar's reign and 63 per cent of the rise in the incidence of total taxation was more or less due to this source. The moral and social aspects of this large increase of Excise revenue require some consideration on account of their importance. The increased revenue from toddy was almost wholly the result of improved management, while that from arrack was due to both improved management and increased consumption. Compared with 1881-82 there was a total increase of revenue of a little over 12 lakhs of rupees in 1894, of which Rs. 5,67,000 represented increased consumption. This increased consumption was however chiefly among migratory gangs of coolies and artisans employed in the Gold Mines, mills, public works, buildings and coffee plantations. Altogether 3,94,751 gallons of arrack were consumed during 1893-94 giving a consumption of 4.1 drams per head of population. In the Kolar Gold Fields there was a labour population of 11,000 including women and children constituting 1/440 of the total population of the State and they consumed 43,937 gallons which was a little over 1/9 of the total consumption for the whole State giving a consumption per head of nearly 4 gallons. In the large city of Bangalore which was the chief centre

of industry in the State the consumption was 37.8 drams per head of population, while the large cooly population living in the outskirts of the Bangalore City and Cantonment swelled the arrack consumption of the taluk to 14.3 drams per head. Owing to similar conditions in the Mysore City the rate of consumption was 18.3 drams per head. In the coffee tracts of Manjarabad, Koppa, Chikmagalur and Mudigere the rate of consumption was 10.9 drams per head. These figures showed that $10\frac{1}{4}$ per cent of the total population of the State resident at the time in the Gold Fields, the Mysore City, the Bangalore City and taluk and the coffee tracts were responsible for 52 per cent of the total consumption of the State.

Another method of increasing the resources of the State was undertaken by the closer conservancy of forests than before. Several State forests were extended and a large number of valuable jungle tracts which were in varying stages of denudation were brought under proper conservancy. The solution of the fuel problem had become pressing. The railway extension to Harihar, the advancing Kolar Gold Industry, the cotton and woollen mills at Bangalore and a rising population with expanding cultivation tended to enormously increase the demand for fuel and to diminish the source of its supply. There thus arose the necessity for carefully conserving large jungle tracts and as many of them as possible, more especially those in the vicinity of the railway. The spontaneous growth of timber in forests and of fuel in reserved jungle tracts was supplemented by plantations on an extensive scale. In 1893-94, 65.37 per cent of the forest revenue was derived from sandalwood and 34.63 per cent from all other sources such as timber or wood-fuel.

Gold Mining also began to yield a revenue from the year 1886-87 and for the first time a Royalty of Rs. 47,000 at 5 per cent on the production found its entry in the budget and this item of revenue gave a continuous increase every year subsequently.

Leaving out of account the income from the State Railways as well as that of the C. & M. Station of Bangalore, the total revenue

of the State which was slightly over Rs. 104 lakhs in 1881 rose to nearly Rs. $167\frac{3}{4}$ lakhs in 1893-94, the increase being over 61 per cent. This revenue was derived from taxes properly so called as well as from sources which were not really taxes. In Mysore the heads of Land Revenue, Excise, Mohatarfa, Sayer, Stamps and Registration were at the time taken as coming under taxation proper. Taking the revenue under these heads only, there was an increase from Rs. 93,04,000 to Rs. 1,38,12,000 or $48\frac{1}{2}$ per cent. The income from sources other than taxes such as Royalty from Gold Mining, forest revenue and similar items nearly trebled itself during the same period. The rise in the incidence per head of population was from Rs. 2-4-4 $\frac{1}{2}$ to Rs. 2-13-7 $\frac{1}{2}$ or $25\frac{1}{2}$ per cent. Thus the amount of increase was 9 annas and 3 pies.

The assets and liabilities of the State on 31st March 1881 the opening year of Chamaraja Wodeyar's rule were—assets a little above Rs. $49\frac{1}{4}$ lakhs, liabilities nearly Rs. $30\frac{3}{4}$ lakhs; on the 30th June 1895 the closing year of the same rule—assets a little above Rs. 3 crores and 60 lakhs, liabilities nearly Rs. 1 crore and 84 lakhs, excess of assets over liabilities a little above Rs. $1\frac{3}{4}$ crores as compared with the excess of assets of a little more than Rs. $18\frac{1}{2}$ lakhs in March 1881.