

R E P O R T

FROM THE

SELECT COMMITTEE

ON

EAST INDIA (CIVIL SERVANTS):

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE.

AND APPENDIX.

Ordered, by The House of Commons, to be Printed.
29 July 1890.

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EAST INDIA (CIVIL SERVANTS).

[Monday, 23rd June 1890]:—Ordered, THAT a Select Committee be appointed to consider and Report upon the alleged Grievances of the Uncovenanted Civil Servants of India, arising from the change in the relative value of Gold and Silver Money, and their Leave and Pension Rules.

Committee nominated of—

Mr. King.
Mr. Howorth.
Sir Stafford Northcote.
Mr. Bristowe.
Viscount Baring.
Sir William Plowden.

Mr. Barbour.
Mr. Alfred Pease.
Mr. Buchanan.
Mr. MacNeill.
Sir John Gorst.

THAT the Committee have power to send for Persons, Papers, and Records.

THAT Five be the Quorum of the Committee.



REPORT	- - - - -	p. iii
PROCEEDINGS OF THE COMMITTEE	- - - - -	p. iv
MINUTES OF EVIDENCE	- - - - -	p. 1
APPENDIX	- - - - -	p. 163

R E P O R T.

THE SELECT COMMITTEE appointed to consider and Report upon the alleged Grievances of the UNCOVENANTED CIVIL SERVANTS of INDIA, arising from the change in the relative value of Gold and Silver Money, and their Leave and Pension Rules:—HAVE considered the matters to them referred, and have agreed to the following REPORT:—

Your Committee are of opinion :

1. That the unforeseen change in the relative value of gold and silver money affords equitable grounds for a re-adjustment of the pensions of Uncovenanted Civil Servants resident in the United Kingdom.

Your Committee have taken evidence, and have agreed to the following Resolutions:—

2. That a minimum rate of exchange for payment of pensions should be fixed by the Government.

3. That the minimum rate shall be One shilling and ninepence (1 s. 9 d.) to the rupee.

4. That no distinction in the furlough and pension rules should be made between Europeans and Natives of India.

5. That some period of furlough should in all cases count as service for pension.

6. That pensionable service should commence at the age of 20.

Your Committee are further of opinion that the greater part of the grievances of the Uncovenanted Service is due to the ambiguity in which the terms of service have from time to time been stated, and recommend that in future there shall be as nearly as possible a uniform scheme, which shall explicitly describe the terms of pension and furlough.

Your Committee have had their attention called to the obstacles in taking furlough, arising from the insufficiency of the present furlough pay, and they recommend this matter to the consideration of the Secretary of State in Council.

29 July 1890.

PROCEEDINGS OF THE COMMITTEE.

Wednesday, 2nd July 1890.

MEMBERS PRESENT:

Mr. Barbour.	Mr. King.
Mr. Bristowe.	Sir William Plowden.
Mr. Buchanan.	Mr. Alfred Pease.
Sir John Gorst.	Viscount Baring.
Mr. Howorth.	Mr. MacNeill.

Sir JOHN GORST was called to the Chair.

The Committee deliberated.

[Adjourned till Tuesday next, at Twelve o'clock.

Tuesday, 8th July 1890.

MEMBERS PRESENT:

Sir JOHN GORST in the Chair.

Sir William Plowden.	Mr. Howorth.
Mr. Arthur Pease.	Viscount Baring.
Mr. Bristowe.	Mr. Barbour.
Mr. Buchanan.	Mr. MacNeill.

Mr. Edward Jenkins was examined.

[Adjourned till Thursday next, at Twelve o'clock.

Thursday, 10th July 1890.

MEMBERS PRESENT:

Sir JOHN GORST in the Chair.

Mr. King.	Mr. Bristowe.
Mr. Pease.	Mr. Barbour.
Mr. Buchanan.	Mr. MacNeill.

Mr. G. J. Heynes, Mr. C. J. Rivett Carnac, Mr. F. C. Barnes, Mr. G. M. Drury, Mr. George O'Donnell, Mr. F. J. Rowe, M.A., Mr. Sydney Hutchinson, and Mr. A. Dalzell, were examined.

[Adjourned to Tuesday next, at Twelve o'clock.

Tuesday, 15th July 1890.

MEMBERS PRESENT:

Sir JOHN GORST in the Chair.

Viscount Baring.	Sir William Plowden.
Mr. Bristowe.	Mr. Buchanan.
Mr. King.	Mr. Howorth.

Mr. Robert Arthur Read, Mr. Thomas Ellis Owen, Mr. Frederick Robert Upcott, Mr. Henry A. Shrapnell Feuner, Mr. Paul Dangerfield, Mr. John Elston, Mr. William John Greer, and Mr. J. P. Davidson, were examined.

[Adjourned to Thursday next, at Twelve o'clock.

Thursday, 17th July 1890.

MEMBERS PRESENT:

Sir JOHN GORST in the Chair.

Mr. Barbour.	Sir William Plowden.
Mr. Bristowe.	Viscount Baring.
Mr. King.	Mr. Buchanan.
Sir Stafford Northcote.	Mr. Howorth.

Mr. Stanley De Brath, Mr. R. R. Munceer, Mr. Morris Leslie, Sir Bradford Leslie, K.C.S.I., Mr. Stack, Mr. W. M. Fletcher, Mr. Thomas Jones, and Mr. P. V. Luke, C.I.E., were examined.

[Adjourned to Tuesday next, at Twelve o'clock.

Tuesday, 22nd July 1890.

MEMBERS PRESENT:

Sir JOHN GORST in the Chair.

Sir William Plowden.	Mr. King.
Mr. Bristowe.	Mr. Howorth.
Mr. Buchanan.	Mr. Alfred Pease.
Mr. Barbour.	

Mr. J. Chisholm, Mr. H. E. Watson, Mr. W. R. Fisher, B.A., Mr. A. S. Betts, Mr. L. P. Walsh, Mr. William Smith, Mr. Henry Prince, Mr. H. B. Medlicott, Dr. C. A. Martin, B.A., LL.D., Mr. J. H. Merriman, Mr. Peter Hordern, and Mr. S. J. Harrison, were examined.

The room cleared.—Committee deliberated.

[Adjourned to Thursday next, at Twelve o'clock.

Thursday, 24th July 1890.

MEMBERS PRESENT:

Sir JOHN GORST in the Chair.

Mr. King.	Mr. Barbour.
Mr. Buchanan.	Mr. MacNeill.
Mr. Alfred Pease.	

Mr. Hesketh Biggs, Mr. Henry Alfred Greig, and Mr. H. Waterfield, C.B., were examined.

[Adjourned till To-morrow, at Twelve o'clock.

Friday, 25th July 1890.

MEMBERS PRESENT:

Sir JOHN GORST in the Chair.

Mr. Bristowe.
Mr. King.
Mr. Alfred Pease.
Mr. MacNeill.

Sir William Plowden.
Mr. Buchanan.
Mr. Barbour.

Mr. Henry Waterfield, C.B., was further examined.

The Committee deliberated.

[Adjourned to Tuesday next, at Twelve o'clock.

Tuesday, 29th July 1889.

MEMBERS PRESENT:

Sir JOHN GORST in the Chair.

Mr. Bristowe.
Sir William Plowden.
Sir Stafford Northcote.
Mr. Buchanan.

Mr. King.
Mr. Howorth.
Mr. Alfred Pease.
Mr. Barbour.

The Committee deliberated.

Motion made, and Question, "That the Committee are of opinion that the unforeseen change in the relative value of gold and silver money, affords equitable grounds for a re-adjustment of the pensions of Uncovenanted Civil Servants resident in the United Kingdom"—(Mr. King),—put, and agreed to.

Motion made, and Question, "That the Committee are of opinion that a minimum rate of exchange for payment of pensions should be fixed by the Government"—(Sir William Plowden),—put, and agreed to.

Motion made, and Question put, "That the fixing of the minimum rate should be left to the discretion of the Secretary of State"—(Mr. Barbour).—The Committee divided:

Ayes, 3.

Mr. Barbour.
Mr. Buchanan.
Sir William Plowden.

Noes, 6.

Mr. Bristowe.
Mr. Howorth.
Mr. King.
Mr. MacNeill.
Sir Stafford Northcote.
Mr. Alfred Pease.

Motion made, and Question proposed, "That the Committee recommend that the minimum rate be 1 s. 9 d. to the rupee"—(Mr. Bristowe).—Amendment proposed, after the word "recommends" to insert the words "if found possible, on due consideration being given by the Secretary of State in Council to the financial exigencies of the Indian Exchequer"—(Mr. Buchanan).—Question put, That those words be there inserted.—The Committee divided:

Ayes, 3.

Mr. Barbour.
Mr. Buchanan.
Sir William Plowden.

Noes, 6.

Mr. Bristowe.
Mr. Howorth.
Mr. King.
Mr. MacNeill.
Sir Stafford Northcote.
Mr. Alfred Pease.

Main Question put, and agreed to.

Resolved, That the Committee recommend that the minimum rate be 1 s. 9 d. to the rupee.

Motion made, and Question, "That the Committee are of opinion that no distinction in the furlough and pension rules should be made between Europeans and Natives of India"—(Sir William Plowden),—put, and agreed to.

Motion

Motion made, and Question, "That the Committee are of opinion that some period of furlough should in all cases count as service for pension"—(Sir William Plowden),—put, and agreed to.

Motion made, and Question, "That pensionable service should commence at the age of 20"—(Mr. King),—put, and agreed to.

Question, "That these Resolutions be reported to the House,"—put, and agreed to.

DRAFT REPORT, proposed by the Chairman, brought up, and read the first time, as follows:—

"Your Committee have heard evidence, and have agreed to the following Resolutions:

"The Committee are of opinion—1. That the unforeseen change in the relative value of gold and silver money affords equitable grounds for a re-adjustment of the pensions of Uncovenanted Civil Servants resident in the United Kingdom.

"2. That a minimum rate of exchange for payment of pensions should be fixed by the Government.

"3. That the minimum rate shall be one shilling and ninepence (1 s. 9 d.) to the rupee.

"4. That no distinction in the furlough and pension rules should be made between Europeans and Natives of India.

"5. That some period of furlough should in all cases count as service for pension.

"6. That pensionable service should commence at the age of 20.

"Your Committee are further of opinion that the greater part of the grievances of the uncovenanted service is due to the ambiguity in which the terms of service have from time to time been stated, and recommend that in future there shall be as nearly as possible a uniform scheme which shall explicitly describe the terms of pension and furlough.

"Your Committee have had their attention called to the obstacles in taking furlough, arising from the insufficiency of the present furlough pay, and they recommend this matter to the consideration of the Secretary of State in Council."

DRAFT REPORT read a second time.

Question, "That this Report be the Report of the Committee to the House,"—put, and agreed to.

Ordered, To Report, together with the Minutes of Evidence, and an Appendix.

LIST OF WITNESSES.

Tuesday, 8th July 1890.

Mr. Edward Jenkins	-	-	-	-	PAGE.
					1

Thursday, 10th July 1890.

Mr. G. J. Hynes	-	-	-	-	25
Mr. C. Rivett Carnac	-	-	-	-	29
Mr. Francis Carnac Barnes	-	-	-	-	33
Mr. George Marston Drury	-	-	-	-	36
Mr. George O'Donnell	-	-	-	-	41
Mr. F. J. Rowe	-	-	-	-	45
Mr. Sydney Hutchinson	-	-	-	-	46
Mr. Alexander Dalzell	-	-	-	-	48

Tuesday, 15th July 1890.

Mr. Robert Arthur Read	-	-	-	-	49
Mr. John Paton Davidson	-	-	-	-	62
Mr. H. A. S. Fenner	-	-	-	-	65
Mr. Paul Dangerfield	-	-	-	-	67
Mr. John Elston	-	-	-	-	69
Mr. Thomas Ellis Owen	-	-	-	-	71
Mr. Frederick Robert Upcott	-	-	-	-	72
Mr. William John Greer	-	-	-	-	72

Thursday, 17th July 1890.

Mr. Stanley De Brath	-	-	-	-	74
Mr. R. R. Menneer	-	-	-	-	77
Mr. Morris Leslie	-	-	-	-	78
Sir Bradford Leslie	-	-	-	-	79
Mr. William Hall	-	-	-	-	80
Mr. Oliver Stack	-	-	-	-	83

Thursday, 17th July 1890—continued.

Mr. W. M. Fletcher	-	-	-	-	PAGE.
					91
Mr. Thomas Jones	-	-	-	-	93
Mr. Paget Vyvyan Luke	-	-	-	-	96

Tuesday, 22nd July 1890.

Mr. James Wright Chisholm	-	-	-	-	98
Mr. Herbert E. Watson	-	-	-	-	101
Mr. William Rogers Fisher, B.A.	-	-	-	-	103
Mr. Alfred Stewart Betts	-	-	-	-	106
Mr. Langton Prendergast Walsh	-	-	-	-	109
Mr. William Smith	-	-	-	-	109
Mr. Henry Prince	-	-	-	-	111
Mr. Henry Benedict Medlicott	-	-	-	-	112
Mr. C. A. Martin, B.A., LL.D.	-	-	-	-	112
Mr. John Henry Merriman	-	-	-	-	115
Mr. Peter Hordern	-	-	-	-	116
Mr. Samuel James Harrison	-	-	-	-	117

Thursday, 24th July 1890.

Mr. T. Hesketh Biggs	-	-	-	-	119
Mr. Henry Alfred Greig	-	-	-	-	120
Mr. Henry Waterfield, C.B.	-	-	-	-	122

Friday, 25th July 1890.

Mr. Henry Waterfield, C.B.	-	-	-	-	148
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MINUTES OF EVIDENCE.

Tuesday, 8th July 1890.

MEMBERS PRESENT :

Mr. Barbour.
Viscount Baring.
Mr. Bristowe.
Mr. Buchanan.
Sir John Gorst.

Mr. Howorth.
Mr. MacNeill.
Mr. Alfred Pease.
Sir William Plowden.

THE RIGHT HON. SIR JOHN E. GORST, IN THE CHAIR.

MR. EDWARD JENKINS, called in; and Examined.

Chairman.

1. WILL you state to the Committee, shortly, your qualifications to give evidence on this subject?—I was asked if I would give evidence, on the ground that I had been for some years connected with, I will not call it the agitation, but with the organisation which has been established for bringing this case before the Government and the House of Commons. Some years ago, as editor of the "Homeward and Overland Mails," it came under my notice that this subject was cropping up in India and being discussed, and it became my duty then to examine into it. That brought me into contact with the men who were principally concerned with the movement; and on looking into the papers and documents, and the whole case, I came to the conviction that they had an equitable claim upon the consideration of the Government. Subsequently, they made me chairman of their organisation, and I was chairman for two years, and it is not necessary to conceal that the case which has been circulated amongst honourable Members was drawn up by me, though, of course, I do not commit myself to the proof of all the statements which are contained in it.

2. You make a broad distinction in the classification of the Uncovenanted Civil Servants, into those who have been nominated in England and those who have been nominated in India?—Yes.

3. Do you also make a distinction between those nominated in England, according to their having been nominated under written covenants or without covenants?—Yes; I think you will

O.135.

Chairman—continued.

find that is pointed out in the Case; one part of the case is devoted entirely to that. After the sixth grievance, on page 65, it will be seen that the question of the officers under covenant with the Secretary of State is specially treated.

4. By "under covenant" you mean, I presume, under a written covenant?—Under a written covenant. The covenants generally, I think, are printed.

5. I believe that it is generally admitted that the term "Uncovenanted Civil Service" is a misnomer?—I think it will be found that in Despatches and in Resolutions the service is referred to as an "Uncovenanted Service."

6. But is not that only a kind of literary description in default of any other proper name?—I think the reason of that is easily explained, by turning to the definition, because there is actually a definition of an uncovenanted officer in the code. I may call the attention of the Committee to the fact that "uncovenanted officer" is an official word, because a definition is given of it in the Pension Code. I have before me now the 6th edition, and at page 16 of the "Definitions" I find this: "Uncovenanted officer: An uncovenanted officer is a public servant not belonging to the Covenanted Civil Service, the Native Civil Service, or the Army;" so that it is an official definition.

7. Now will you tell the Committee which of the Civil Departments in India come under this description?—I do not know whether I may refer to the case which is in the hands of

A

the

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Tuesday, 8th July 1890.

Mr. Edward Jenkins - - - -	PAGE. 1
----------------------------	------------

Thursday, 10th July 1890.

Mr. G. J. Hynes - - - -	25
Mr. C. Rivett Carnac - - - -	29
Mr. Francis Carnac Barnes - - - -	35
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Thursday, 17th July 1890—continued.

Mr. W. M. Fletcher - - - -	PAGE. 91
Mr. Thomas Jones - - - -	93
Mr. Paget Vyvyan Luke - - - -	96

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Mr. William Smith - - - -	109
Mr. Henry Prince - - - -	111
Mr. Henry Benedict Medlicott - - - -	112
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Mr. Peter Hordern - - - -	116
Mr. Samuel James Harrison - - - -	117

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Mr. Henry Alfred Greig - - - -	120
Mr. Henry Waterfield, C.B. - - - -	122

Friday, 25th July 1890.

Mr. Henry Waterfield, C.B. - - - -	148
------------------------------------	-----

MINUTES OF EVIDENCE.

Tuesday, 8th July 1890.

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Chairman—continued.

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4. By "under covenant" you mean, I presume, under a written covenant?—Under a written covenant. The covenants generally, I think, are printed.

5. I believe that it is generally admitted that the term "Uncovenanted Civil Service" is a misnomer?—I think it will be found that in Despatches and in Resolutions the service is referred to as an "Uncovenanted Service."

6. But is not that only a kind of literary description in default of any other proper name?—I think the reason of that is easily explained, by turning to the definition, because there is actually a definition of an uncovenanted officer in the code. I may call the attention of the Committee to the fact that "uncovenanted officer" is an official word, because a definition is given of it in the Pension Code. I have before me now the 6th edition, and at page 16 of the "Definitions" I find this: "Uncovenanted officer: An uncovenanted officer is a public servant not belonging to the Covenanted Civil Service, the Native Civil Service, or the Army;" so that it is an official definition.

7. Now will you tell the Committee which of the Civil Departments in India come under this description?—I do not know whether I may refer to the case which is in the hands of

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the

8 July 1890.]

Mr. JENKINS.

[Continued.]

Chairman—continued.

the Committee. Perhaps it is the most convenient way to go through it.

8. Certainly?—Of course the Case is not in evidence, but parts of it can be put in evidence by my testimony. It is stated on page 2 that there are in India 23 Civil Departments of State, and they are there named: The Archaeological Department; the Customs, the District Magistracy, and the Land Revenue; Excise or Akbari; Education; Finance; Forests; Geological; Jail; Judicial; Land Revenue, Survey and Settlement; Marine Department and Pilot Service; Meteorological Department; Mint; Opium; Political; Postal; Police; Public Works; Registration; Salt; Survey of India; and Telegraphs. And I may note it is stated in the case that all these Departments except three are under the control and supervision of the officers of the Uncovenanted Service. This is an important point. Perhaps you would allow me here to put an addition to that.

9. Certainly?—I might explain with regard to this that it is very important, in considering this question, to keep in view the fact that the Executive and Judicial Department is almost entirely composed, as far as the European element is concerned, of covenanted civilians; the covenanted civilians rule the Judicial and Executive Department; and, in the Report of the Public Service Commission, it will be remarked that almost the whole of the first part of that Report refers to that particular branch of the service, and that the uncovenanted men, whose case is being presented here to-day, whose grievances are the subject of examination, really come under what are classed as "special departments," and that in those special departments almost the whole of the executive power and ability is in the hands of the European members of the uncovenanted service. Therefore it is very important to make that distinction; and the reason of it will be evident to the members of the Committee if they consider that the Judicial and Executive, which contains a very large representation of Asiatics on it, under the covenanted civilian, is the service to which the educated native would naturally take. It is a service which demands rather literary than practical or technical abilities. Therefore it is found that that service is crowded with natives, while, on the other hand, the technical services, those which are classed as special services in the Report of the Public Service Commission, will be found to be less frequented by natives; that is to say, in the highest branches hardly any natives are found.

10. You have given in your Case a rough comparison of the numbers of Europeans and Asiatics in the Uncovenanted Civil Service, which is to be found at page 3?—Yes.

11. Would you state that in evidence to the Committee?—The number of uncovenanted Civil officers is approximately as follows (this is based on the Report of the Public Service Commission): Non-domiciled Europeans, 1,600; domiciled Europeans and Eurasians, 600; Asiatics, 2,600; therefore the total is 4,800. Of covenanted Civil officers the numbers are approximately as follows: Non-domiciled Europeans, 900, and Asiatics, 10. I understand

Chairman—continued.

from the Public Service Report that the total effective strength is 941; but the number who are actively engaged is something like between 700 and 800, the rest being on furlough. In addition to that there are between 60 and 70 Asiatics who are appointed by nomination under the Statute of 1870 to offices held by the Covenanted Service. These Asiatics are designated as Statutory civilians; but it must be noticed, and it is an important point perhaps to notice, that their pay and other emoluments are not equal to those of the European covenanted civilian.

Mr. Howarth.

12. Is that of the same grade?—Of the same grade; that is to say, practically engaged in the same offices as I understand, but with regard to that, my evidence must be taken as second hand. Perhaps here I may mention a point that comes in, and it is that already the number of the covenanted officers is very small, but it is being reduced, and it is being reduced by deliberate policy. In a Despatch of the Secretary of State on the Public Service Commission, No. 104, of September 1889 (the Blue Book is in the hands of Members), page 100, paragraph 24, this statement is made: "Since 1874, notwithstanding the constantly increasing demands for improved administration, the strength of the Covenanted Service recruited in England has been reduced by more than 22 per cent., and if existing orders be maintained it will, at no distant period, be reduced by 12 per cent. more." One reason of that I understand is that it is the policy of the Government of India not to indent for covenanted civilians, because covenanted civilians are so expensive, and their pay and emoluments and other matters are so much more expensive than those of the uncovenanted civilians; hence, for economy's sake, uncovenanted men are appointed by the Indian Government to posts usually reserved for civilians. In the non-regulation Provinces, uncovenanted civilians are appointed to high posts, such as "Deputy Commissioner" and others, and this has also been done in regulation Provinces. I have no right to draw any conclusion from that. I simply state the fact.

Chairman.

13. Will you now inform the Committee the different ways in which uncovenanted servants are admitted into the service?—They are admitted by examination in England, by examination in India, by nomination by the Secretary of State in England (and under that head of course come the covenants into which they enter with the Secretary of State, or some of the covenants into which they enter with the Secretary of State; not all), and by nomination in India. The majority of the civil officers belong to the last two categories, that is, that they are nominated by the Secretary of State in England, or nominated in India.

14. First of all, speaking of the men appointed by the Secretary of State under special covenants, what class of men are they?—They are the men in the Telegraph Department, the Public Works Department, and the men who are selected as professors

8 July 1890.]

Mr. JENKINS.

[Continued.]

Chairman—continued.

professors for education, and some others in some of the other scientific branches.

15. Do those men enter under special written covenants?—Those men enter under forms of covenant.

16. Which is a contract between the Secretary of State and the civil servant?—Yes.

17. What are the classes of men who enter the Civil Service of India without any special written covenant?—I think there are some men, if I am not wrong, who are simply gazetted into the service without any covenant. Then there are the men who are prepared at Cooper's Hill, and who get a technical training at Cooper's Hill. These gentlemen, of course, are induced to enter Cooper's Hill by the issue of prospectuses, and these prospectuses state generally the terms of the service into which they are invited to enter. Then as regards the other gentlemen who may be gazetted into the service simply without having undergone any direct preparatory training for their duties at Cooper's Hill or elsewhere, they would be induced to enter the service by advertisements in the papers, and by prospectuses issued from the India Office.

18. So that the statements made in these Cooper's Hill prospectuses constitute practically the conditions under which men are invited to enter the service?—Precisely.

19. How are men appointed in India?—There the Supreme Government, or governors and lieutenant-governors of the various provinces, draft them into the service as they may be required. I believe that all appointments are subject to the approval of the Supreme Government in India, but they are recommended by the governors, or they are appointed by the Supreme Government. There is, also, I may mention, a college which was established, I believe, originally simply for Asiatics, the Roorkee College, to give Asiatics a technical training; but it was found that so few Asiatics came forward to attend that college that since then Europeans and Eurasians have been admitted.

20. Have you any wish to make any observation upon the distinction which has been drawn between men appointed at home and in India?—I think the only thing I wish to call the attention of the Committee to is that there is a distinction, and that that distinction is manifest in the rules which apply to the two services. There is a distinction which clearly comes out in the correspondence between the Secretary of State and the Government of India; a distinction drawn between men who have been appointed by the Secretary of State in England, and men who have been appointed in India; and there is no doubt that those who have been appointed by the Secretary of State have the benefit of more favoured rules, and are looked upon with more favour than those who are appointed in India; but I do not think I would be justified in saying what I have heard (and perhaps know) with regard to the manner in which that distinction works; I think that had better be done by some member of the service.

21. In the meantime you can refer the Committee to the

O.135.

Chairman—continued.

mittee to the argument upon this subject which is contained in pages 7, 8, 9, and 10 of the case, is it not?—Precisely; it is contained in pages 7, 8, 9, and 10 of the case.

22. Can you tell the Committee shortly what is the claim which the Uncovenanted Civil Servants make?—That is a large question. I think they make an enormous number of claims; but I understand that the main points upon which they ask for a redress of their grievances are those which are set out on pages 13 and 14 of the case. First of all, they are paid their pensions in rupees, that is to say, they are paid in a currency which has depreciated to the extent of more than 30 per cent., and they contend that in any case a pension ought not to be fixed in a fluctuating currency. The point that a pension is deferred pay at once gives strength to that contention. The second grievance under the head of pensions is that by the provision of the Code the pension rules are made liable also to fluctuation; that is to say, that they can be altered at any time at the will of the Government, without regard to the interests of the men who have already entered the service. I may call the attention of the Committee to the bare statement of the fact in the Civil Pensions Code. I am now quoting from the sixth edition, the first page, second chapter, and second paragraph, "The Government reserves to itself the right of changing the rules in the Code from time to time at its discretion, and of interpreting their meaning. An officer's claim to pension is governed by the rules in force at the time when he resigns or is discharged from the service of the Government: he is not entitled to concessions withdrawn before or made after his resignation or discharge."

23. Would you read on to the end of that section?—I will. "The general purport of this rule is inserted by the Secretary of State in all covenants for service in India to which he is a party, which contains a promise of pension under the Uncovenanted Service Pension Rules." I may be allowed, perhaps, to point out that in many covenants that is not the case. I think it will be found that they began at a certain period; but when the various conditions of the covenants come to be compared, it will be found that certainly, as regards the East India Company, there never was in any covenant any word, so far as I can find out, which justifies this rule. In fact, I think I could show that the covenant of the East India Company distinctly meant to give the men the benefits of the rules under which they entered.

24. Will you, please, read the rest of the Case?—Then, third: "That the length of service exacted for pension, namely, 30 years' active service, exclusive of leave, has been proved by experience to be unreasonable in itself and injurious to the general efficiency of the European service in India; moreover, that it is exacted only from some classes of officers of the Uncovenanted Service, and not from civilian or military officers (who have, besides, in every way better terms of pay, leave, and pension); and certain favoured classes of the Uncovenanted European Service." The fourth is: "That no service

A 2

8 July 1890.]

Mr. JENKINS.

[Continued.]

Chairman—continued.

service rendered before 22 years of age is allowed to count for pension, though the service rendered before 22 may be identical with that which counts for pension after the age limit has been passed." 5th. "That the portion of furlough counted towards pension is too restricted, especially having regard to the better terms granted to covenanted civilians and other European officials for that recruitment of health which is periodically essential for Europeans working in the Indian climate. 6th. That, while recognising with regard to civilians, and to some classes of the Uncovenanted Service, the claim of European officers to different pensionary conditions from those accorded to native officers, the Government enforces on certain classes of non-domiciled European uncovenanted officers the same pension rules as those applied to Asiatics, even in cases where such European officers fill posts for which natives are not fitted." It will be understood that this case refers only to the pensions question. There is also a "Leave" case; but on most points it overlaps the other, and there are only a few subsidiary points that have to be put under that head.

25. With regard to the payment of pensions in rupees, do the uncovenanted Civil servants contend that in their agreement with the Secretary of State they have stipulated for, or have, any legal right to a sterling pension?—I do not think they do contend that there is a legal right to a sterling pension, and the reason of it is that the Government has so managed its correspondence and its resolutions as to be able to deprive them of any chance of raising a legal question; but they do contend that they have equitable rights and a moral claim.

26. In the Case which has been distributed amongst the Committee there is a very long argument to show that there is this equitable right; you have got your statement before you?—I have.

27. I do not know whether you would like to call the attention of the Committee to the salient points of that argument, or to any facts which are stated in the argument, which ought to be borne in mind by the Committee?—I think the argument might be put in almost bodily, and allowed to speak for itself; but perhaps I can assist the Committee to this extent: The contention of the Service is that during the whole period when the Government of India was in the hands of the East India Company, the pensions were settled with their servants in sterling, and were so intended to be settled. The Committee will find on looking through the statement in the case, that, in fact, all accounts were settled during a long period by the Government of India with its civil and military servants, and of course, amongst others, its uncovenanted Civil servants, on the basis of 2 s. to the rupee. An interesting correspondence is referred to on pages 21 and 22. That was taken from the Report of the Select Committee on the Powers of the East India Company, which sat in 1831 and 1832, and was printed on the 16th August 1832. That shows that for a long period, from 1814 onwards, there was a contention between

Chairman—continued.

the Court of Directors and the Board of Control upon a proposition which had been put forward by the Court of Directors that the settlement of the accounts of the company should be made upon the basis of the current exchange, and not upon a fixed basis of 2 s. to the rupee. During the whole of this period the Board of Control resisted that proposition, and the grounds upon which it is rested are of some importance in this inquiry. Some of them are stated in the case; but I would call attention particularly to two more. On pages 295 and 296 of the Report of a Select Committee (16th August 1832), is a letter of the 30th June 1814, from the India Board to the Court of Directors, in which they say, "It would be neither wise to apply the rate resulting from the calculation propounded by the Court of Directors, to the purpose now under view, nor to use the rate which would result from the calculation on the actual market price of the precious metals, and much less the rate, according to the current exchange for the day, but that it will be far more eligible, on every consideration, to continue the rate of exchange that has generally obtained and been sanctioned by the usage of Parliament, as well in fixing of salaries and in the settlements of accounts between the public and the company, as in the accounts that have been annually presented to, or brought to the view of Parliament, for a long series of years. The rate so used has been as follows: 2 s. the current rupee, 8 s. the pagoda, 2 s. 3 d. the Bombay rupee. From all these considerations the Board has thought proper to determine that this rate of exchange, which may be considered as a medium rate, be used in conversion of the territorial payment in England into Indian currency." That is the first to which I draw attention. On the 3rd August 1815, the Board wrote to the Court of Directors, pages 298 and 299, of that Report.

28. What page of your Case are you quoting from?—None. These are additional points. "The only computation of the value of the Indian coins referred to in the negotiations between the company and the public, or submitted to the consideration of Parliament, were those of 2 s. to the current rupee. The pay of the Civil and Military service is received in Indian currency with the full understanding of its relative value to sterling, on rates which custom has rendered habitual. In the Civil the customary rate adopted by the Board is repeatedly prescribed in Acts of Parliament, and it would be unwise to make an alteration which might prove the means of furnishing grounds of claim to compensation." The Board of Control pointed out that the effect of altering the rate of exchange might be to furnish (evidently here to Civil servants and others) grounds for compensation. Then, following it on through years, we find that the rate was steadily maintained at 2 s. to the rupee, and the contention of the service is that that rate was meant and implied in all resolutions of the Government of India relating to salaries, or relating to pensions, down to the time of the Government of India Act of 1858. Then the Government of India Act, 1858, contained an express reservation of the rights of all Civil and other

8 July 1890.]

Mr. JENKINS.

[Continued.]

Chairman—continued.

other servants then in the employ of the East India Company, and perhaps it would be convenient that I should read the exact terms of that section of the Act. The sections relating to that point are Sections 58 and 59: "All persons who at the time of the commencement of this Act, shall hold any offices, employments, or commissions whatever under the said company in India, shall thenceforth be deemed to hold such offices, employments, and commissions under Her Majesty as if they had been appointed under this Act, and shall be paid out of the revenues of India; and the transfer of any person to the service of Her Majesty shall be deemed to be a continuance of his previous service, and shall not prejudice any claims to pension, or any claims on the various annuity funds of the several Presidencies in India, which he might have had if this Act had not been passed." It then goes on to say that, "All orders, regulations, and directions lawfully given or made before the commencement of this Act by the Court of Directors, or by the Commissioners, for the affairs of India shall remain in force; but the same shall, from and after the commencement of this Act be deemed to be the orders, regulations, and directions under this Act, and take effect and be construed, and be subject to alteration or revocation accordingly." Therefore what is contended is that certainly as regards the men who entered the service prior to the Government of India Act, 1858, the right accrued to a settlement of all their pensionary claims at the rate of 2 s. a rupee, that being the admitted rate (as I have already read) of the East India Company up to that time. The question, of course, will come a little later on how it was that they lost it; how it was managed. That brings us down to the year when the Government of India was transferred to the Imperial Government. Between that date and the year 1862 there is a short period during which rules which had been drawn up by the East India Company still applied to the men who came into the service of the Imperial Government; and then in 1862 a departure was taken (as is stated in the case) by Despatches which passed between the Government of India and the Secretary of State on the question of pensions. I shall be prepared to go through these if you wish me to do so.

29. I do not know that there is any necessity to go through the whole of what is stated in the Case in evidence?—No.

30. You are referring to the Despatch of 1862, in which pensions were made payable in England?—Perfectly so. That state marks another era, and brings in a new class of men, the men who joined between 1858 and that time. It is argued that the men who joined before 1858 were undoubtedly entitled to receive the maximum pensions, and to have them paid in sterling. We are only on the sterling £ now, and it will be understood that that is one of their contentions.

31. As a matter of fact, is it not the case that, up to the year 1862, these pensions were payable in India only, in the currency of the country?—They were payable in the currency of the country, which at that time was worth more 0.135.

Chairman—continued.

than sterling. If I may be allowed to bring that point in now, I may call the attention of the Committee to the Appendices. They will see there that there are Tables showing the rates of exchange from 1837–38 to 1889–90. On page 73 of the Case, it appears (and this is very important in relation to the Despatch of 1862) that the rupee was at a premium. The "highest" rates which were current during those years show that the rupee was at a premium from 1850 down to 1862–63. First of all, there is a Table which has been supplied from India. It comes from an official source. In 1850–51, the highest rate was 2 s. 1 d.; the lowest was 2 s. In 1851–52, the highest rate was 2 s. 1 d.; in 1852–53, 2 s. 1 d.; in 1853–54, 2 s. 1 d.; in 1854–55, 2 s. 1 d.; in 1855–56, 2 s. 2 d.; in 1856–57, 2 s. 1 d.; in 1857–58, 2 s. 2 d.; and in 1858–59, 2 s. 2 d. They are stated here in pence, it will be noticed on page 73.

32. Why are the years 1859–60, 1860–61, and 1861–62 left blank?—Because that was the time of the Mutiny. During the Mutiny I believe there was no exchange of any kind; but on page 74 there is a statement which was furnished from the India Office on application by the Secretary of the uncovenanted Service of the official rates of exchange since 1837–38; the first year in which the company's rupee was issued for that purpose. Now it will be noticed that that return shows official rates of exchange which rather differ from those which are shown in the Appendix B. on page 73, and the explanation of that is that this Table (Table 2) simply gives what are practically the market rates of exchange until you come down to the year 1863; and it is hardly a fair thing to have put it in that way from the India Office, because those are not the official rates of exchange which were ruling during that time. It will be observed on page 73 that the official rate is stated down to 1872 as always at 2 s., and I believe it is so; that that was the official rate at which all salaries were paid down to 1872; whereas if we turn to the Table which was sent from the India Office it will be noticed that the rates are given at 1 s. 11 d., 1 s. 11 d., 2 s., 1 d. and so on from 1837 downwards; to this year in fact; the market rates at which Council Bills were sold, and this Table ought to have shown that in 1872 and 1873, first came practically the question of establishing a lower official rate of exchange in the settlement of accounts between the Government of India and the Secretary of State.

33. Between the Government of India and the Imperial Government, you mean?—And the Imperial Government.

34. Between the Secretary of State for India and the Imperial Government?—Between the Secretary of State for India and the Imperial Government.

35. Are you not aware that those Tables which have been furnished are in fact the rates at which these adjustments did take place in those years?—I understand that the Table which is supplied from India, which, I think, comes from the Accountant General's Department; the first one, Table 1, does state the official rate at which exchanges

8 July 1890.]

Mr. JENKINS.

[Continued.]

Chairman--continued.

changes were paid in all settlements with officers of the service.

36. Is it not a fact that that first Table professes to show the actual rates of exchange at which transactions took place between the Government of India and the outside public; while the second Table shows the rates at which transactions actually took place between the Government of India and the Imperial Government?—But, pardon me, that could not be so.

37. Do you say the first Table was supplied from India?—Yes.

38. Was it officially supplied from the Indian Government?—I cannot say that it was officially supplied. It was drawn out, I think, in one of the departments, I am not certain whether it was officially supplied; but I want to point out that certainly this is incorrect down to 1858, because, as will be seen, the Board of Control absolutely refused to come down to a fluctuating rate, and they retained the rate at 2 s. to the rupee. In the third column the official rate is stated at "always 24," down to 1871.

39. There is no evidence yet as to where this first Table comes from?—No.

40. I only want to put in a caveat that the second Table, though you say it is incorrect, is not to be assumed to be incorrect?—I only suggest that it is incorrect, I do not wish to say that it is. I simply wanted to point the attention of the Committee to that, so that inquiry might be made of witnesses from the India Office.

Mr. Howorth.

41. Where do you get the first Table from?—Some one will give evidence as to that; it is laid before me as part of the case. The third Table is taken from the "Pioneer," simply giving the market rates, which is not a matter of any great consequence.

Chairman.

42. Now, will you go back to the part of the Case from which you diverged. You were speaking of the change which was made in 1862?—Yes; in 1862 (as the case shows) a despatch was issued which raised the exchange question. Application had been made by a number of officers (so the despatch says) to be enabled to draw their pensions in England. In alluding to that the Secretary of State called attention to the fact that the question of exchange was an important one. I perhaps may call the attention of honourable Members to the exact words of the Secretary of State.

43. They are quoted on page 25, are they not, of your Case?—Yes; they are contained on page 25. "These pensions have hitherto been payable only in India. As a rule Europeans on being pensioned desire to return to this country, and they are consequently under the necessity of employing an agent in India to receive and remit their pensions. If the pensions were allowed to be paid in England, the delay, risk, and inconvenience of agency, would be saved, while the charge to Government would be very inconsiderable. Her Majesty's Government have therefore decided that an uncovenanted servant shall on retirement have the option of drawing his pension either in India or from the

Chairman--continued.

Home Treasury. After exercising his option on retirement, he may at a subsequent period change the place of payment from England to India, or *vice versa*. This change can, however, be allowed but once. The rate of exchange is an important consideration in regard to payment in England. Her Majesty's Government will not now fix any permanent rate for the purpose; but as a rate of exchange based on the intrinsic value of the rupee, and the market price of Bills is annually fixed in communication with the Lords of the Treasury, for the adjustment of transactions between the British and Indian Exchequers, which rate is applied to family remittances of officers serving in India, the same rate appears to be equitable for the payment in England of the pensions of uncovenanted servants, and is, therefore, to be adopted." The Committee will notice the terms in which these two clauses are couched. Up to 1862, it is contended by the service that there never was any question of exchange, that it was the regular rule of the company and that it was the custom, and rule, and usage of the Government of India in all settlements for pensions with their uncovenanted officers to give them 2 s. to the rupee, or to settle at the rate of 10 rupees to the pound sterling, and that is shown through a variety of documents of which specimens will be laid before the Committee: First of all by despatches and resolutions, by the very covenants which men received from the Company, and, second, by that general argument which shows that in Acts of Parliament and by the usage (which was established usage as far as the Company was concerned down to 1858) all these pensions were reckoned at the rate of 2 s. to the rupee. Then in 1862, the Secretary of State introduced some new rules; and he in the middle of his Despatch, in Clause 10, takes up this question of the application for payment of pensions in England, and he says: "The rate of exchange is an important consideration." I want, if I may be allowed, to call the attention of the Committee to the fact that the rate of exchange previously to 1862 as shown in those documents was a high rate of exchange. It will be observed that the market rate as given in Table 1, on page 73, showed that the rupee was repeatedly at a premium from 1850. It is not necessary for the sake of the argument to show that it was always at a premium, or to refer to the average rate. The mere fact that it was at a high premium is important, and it was at a premium in 1862 and 1863. Therefore, in endeavouring to arrive at what was in the mind of the Secretary of State when he said the "rate of exchange is an important consideration," the inference is that he meant to say that it was a very important consideration that the Government should not be bound to pay in rupees which were at a premium, and that the real meaning of those two clauses was this: that the Secretary of State never conceiving for a moment that the rupee was likely to go down to 1 s. 4½ d. was anxious to protect the Government against the rupee going up to 2 s. 6 d. That is the contention. Of course, we cannot call it evidence, but it will be noticed on looking at a Table which is published in "The Pioneer,"

8 July 1890.]

Mr. JENKINS.

[Continued.]

Chairman--continued.

Pioneer," which was taken from the published commercial newspapers of the day in India, that the rate of exchange in 1853-54 was over par. In 1855-56 it was 24·125; in 1856-57 it was 24·625; 1857-58, 25·125. It shows that the rupee had been repeatedly at a premium before that time.

44. And then?—Then the second point to be noted in those two paragraphs is another intention which appears to have been in the mind of the Secretary of State, that is, that he said, "The rate appears to be equitable." That is in paragraph 11. He says he selects the rate because that appears to be equitable for the payment in England of the pensions of uncovenanted servants; and it is inconceivable that in making that statement he should have contemplated anything like a heavy fall in the rupee.

45. Is there anything else to which you wish to call the attention of the Committee as regards the history of the Case?—We come down to 1862, and the contention is, that down to 1862 there was no exchange question. Then the contention is, as is just shown, that it was not intended to raise an exchange question of the kind which has since arisen by the Despatch of 1862. Then there are a series of Despatches and of Resolutions of the Secretary of State between 1862 and 1870, in which, wherever reference is made to the subject, rupees and pounds sterling appear to be used indiscriminately, that is to say, state the rate at 10 rupees to the pound sterling. Then there is that important Resolution of the Government of India, 1555, of 1870, which summarises the previous Despatches with regard to pension rules, and in which the statements are made again in rupees and in sterling, at the rate of 10 rupees to the pound sterling. After that, in 1872, the fall in the rupee began; and then, of course, the Government began to apply these rules (this rule especially, with regard to the exchange) which had been made by Sir Charles Wood in the Despatch of 1862. But a very important point in connection with, and with regard to, the intention of the Government throughout, is raised by the fact that down to 1884 in the Codes of the Financial Department, a note was appended to the publication of the Despatch No. 1555, of 1870, in which it was stated (I think I had better read the note and not quote it from memory) practically that the rupee was to be taken at 2 s. That note is found on page 124 of the sixth edition of the Pension Code. It states: "Wherever, in the following Resolution, a pension is stated in sterling, the equivalent in rupees is meant at 2 s. the rupee, which had been at that time, for several years, the fixed rate of exchange for the adjustment of financial transactions between the Imperial and Indian Governments." That was published in the first edition of the Code of 1872, and it was continued down to the sixth edition of the Code of 1884. I may mention here in correction of a statement in the case, that it also appears in the latest edition of the Code; there is a statement on page 27 that it was struck out of the last edition of the Code. That is not correct. The contention of the Government is that that Resolution simply means that wherever

O.135.

Chairman--continued.

they have to pay 1 l. it is enough for them to tender 10 rupees, and that it was not meant to apply the other way; but that, of course, is not a matter upon which I am entitled to give any opinion. The clause is that whenever a pension is stated in sterling the equivalent is meant in rupees at 2 s. the rupee. It is contended that it does not mean that when the pension is stated in rupees the equivalent shall be taken in the same way in sterling; but the contention of the service is that any man who read that would take it that if his pension was stated at 5,000 rupees it was undoubtedly meant by the Government to give him 500 l. sterling for it, and secure it to him. That is the contention. That will be found quoted in the case.

46. I may just ask you a question upon that one point. Is it not a fact that for many years up to 1872 the formula, "pound sterling," was used in the Budget statements in the House of Commons, and generally in all statements about Indian finance, as equivalent to 10 rupees?—I cannot give evidence as to that; I believe it is so.

47. And for many years after the depreciation of the rupee, the expression "conventional sterling," was used, and the pound "Conventional Sterling," as they called it, was spoken of as equivalent to 10 rupees; and it was only very recently that the new formula of writing "R" with an "x" after it as expressing the 10 rupees equivalent was adopted?—Quite so; I believe that was so.

48. After the depreciation had become so marked and so fixed and constant, the use of pound sterling as the equivalent to 10 rupees could not have mislead anyone?—I will not give evidence as to it, but I will accept it as a fact from so distinguished an authority.

49. Now you come to 1872?—I have come now to 1872, as showing that that note was introduced and that it was continued down at least to the sixth edition of 1884. I have said that the last edition of the Code publishes the Resolution and continues the note. It was stated by the Under Secretary of State for India in the House of Commons, that that note had no official authority. I think he suggested that it had been inserted by some clerk in the Accountant-General's Department, who appears to have perhaps had nothing better to do at the moment. The point about it is that it has been continued in all the official editions of the Code, and the men contend that that has given it an official authority. Then of course the period comes when the rupee declined, and the men began to find that they were being docked of large sums, by being paid their pensions here at the official rates of exchange, and it was from that point that the discontent in the service, both on the part of those who had retired and those who were thinking of and hoping to retire, naturally began. The Committee are aware that pensions which nominally were believed to be worth 500 l. 20 years ago, are now actually worth a little more than 350 l., and the contention, I understand, of the service is that they are only forced to accept those terms by means of a series of Resolutions and Acts

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which

8 July 1890.]

Mr. JENKINS.

[Continued.]

Chairman—continued.

which really were unfair on the part of the Government of India, and which will not bear inspection by a Committee.

50. Is that all that you have to say about the question of the depreciation of the rupee?—What I should like to do would be to call attention to one or two points which will add to the force of what has been already said, if it has any force.

51. Very well; do so, please?—It will be noted that in 1868, which is after the Despatch of 1862, a correspondence took place upon the position and the status of the educational services in India. That correspondence was issued in a book to Parliament, on the 1st August 1872 ("East India Educational Service"), and it is to be noted that in the Despatch, No. 5, of 1868 on Education, paragraph 5, page 4, there is a table of comparison of pensions. This was sent home to the Secretary of State for India, from Fort William, on the 11th April 1868, and in that comparative table the pensions are stated in this way: there is a table of the former rule and the present rule; and it is stated, "15 years' service, including two years' leave on medical certificate, and one year's leave on private affairs, within a maximum of 500 l. a year"; that is put in pounds sterling. "For salaries exceeding 1,000 rupees a month, or 400 l. a year for lower salaries." It will be observed that the pension maxima are stated there in sterling, while the salaries are stated in rupees. Then it says, present rule, 12 years' service, exclusive of leave within the maximum of 300 l. a year, for salaries above 1,000 rupees a month, or of 200 l. a year for lower salaries; and the same is repeated lower down with regard to half-pay pension. I only allude to that as it shows what the current idea at the time was after 1868, which is six years after 1862, when the exchange question is raised in the Despatch of Sir Charles Wood. It shows what the notion was in the mind of the Government of India with regard to the true value of the maxima which were then current; the maximum pensions. Then there is another point which is raised on page 24, which perhaps I might be allowed to refer to. That is with regard to a comparison of the manner in which the covenanted and uncovenanted service is treated in the payment of their pensions. All uncovenanted officers retired after 21 years' active service on a pension of 1,000 sterling, paid in sterling in London, and honourable Members will notice that the history of that is traced in this case. If they turn to pages 16 to 20 they will find how it was that the covenanted service got into this position. It appears that originally the arrangement between the civiliaas and the Government of India was that there should be a contribution. Annuity funds were established and half the amount of the retiring allowance was paid out of these annuity funds, while the other half was contributed by the Government of India; that is to say, 500 l. from the annuities and 500 l. from the Government of India. The history is traced in the case, and briefly it comes to this: that later on it was found, first of all, that the and

Chairman—continued.

nuity funds were not producing as much as was expected and were not in a very healthy position. The Government of India had to contribute more and more as its share to the annuity of 1,000 l. It was stated in a Despatch (I think of 1868, but I can refer to it in a moment) that the Government were contributing 600 l. sterling per annum to that annuity, and it is understood that the amount which they now contribute (Papers have been prepared as to that, and will be presented to the Committee) to the annuity of a covenanted servant is very nearly 700 l. a year. They were placed upon the footing of having their pensions paid in pounds sterling in England, and that was recognised by an Act of Parliament by which the various annuity funds were taken over from the trustees to the Government of India, and I believe, in point of fact, that that is the statutory recognition upon which the covenanted servant is able at this moment to rely for having his pension paid in sterling, and that possibly if the annuities had never been taken over the covenanted servant would have been subject to the same rules as the uncovenanted at this moment. As long as the company had to deal with the service they placed all payments to the covenanted, to the military, and the uncovenanted service upon the same basis.

52. If you have quite exhausted the evidence which you wish to give upon that first point, I will take you on to the second?—I do not think I can do more than ask the Committee to allow me to put in that part of the argument here which refers to the subject, from page 23 onwards.

53. Now let us go on then to the second point in your Case. Your second point is practically a complaint against the clauses of the Civil Service Pension Code, which reserve to the Secretary of State the right of altering, with retrospective effect, the conditions laid down in the Code?—Yes, perhaps it will be convenient, before we go on to that, for me to point out this: On page 31 mention is made of the manner in which the exchange question is treated by other Governments. I may mention that we have obtained from the Colonial Office a statement of the manner in which the exchange question has been settled in Mauritius and Ceylon and Hong Kong and the Straits Settlements. I have it here.

54. Have you also any information from the Colonial Office as to the conditions under which the civil servants in those colonies enter the service and how far that corresponds with the conditions under which the uncovenanted servants of India enter the service?—I have here the printed statements issued from the Colonial Office for the Ceylon cadetships and the others, Hong Kong and the Straits Settlements; they show what the conditions of the service are.

55. I do not want to exclude any evidence, but has this any real bearing upon the question. Will it really assist the Committee?—It simply shows the Committee what the views of other Governments are as to the manner in which the exchange question is treated.

56. It only shows the Committee what the view of our own Government is in relation to other

8 July 1890.]

Mr. JENKINS.

[Continued.]

Chairman—continued.

other public servants?—To other public servants, or rather to the men who are performing service under the same conditions when the same question has arisen.

57. I cannot see that this has great bearing upon the present inquiry. Take the case of Ceylon. In order to show that the arrangements now made with the civil servants of Ceylon ought to be models for the Government of India, it would be necessary to show that persons entered the Colonial Service under analogous circumstances to those under which the uncovenanted servants entered the Indian Service?—The only question is this; for instance, take the Ceylon cadetships, take the Ceylon Civil Service, it is performed under similar conditions to those of the civil servants in India. The exchange question did not arise until a certain date, and then it had to be dealt with; and the question is simply, apart from all Regulations, how did these Governments deal with a question of that kind? Whatever Despatches and Regulations may have settled, whatever they did, the suggestion of the service, I understand, is that those things are pertinent, as showing that other colonies have dealt more liberally with their servants under instructions from the Colonial Office than the Government of India has done with its servants, under instructions from the Secretary of State.

58. Unless the conditions under which the Ceylon civil servants are serving are analogous to those under which the uncovenanted civil servants of India are serving, the analogy does not hold?—I have in my hand an official Paper issued with regard to Ceylon cadetships, and if I take the Committee through that it may enable them the better to judge: "The cadets, who must be natural-born British subjects, are selected by open competitive examination held by the Civil Service Commissioners, to whom all inquiries on the subject should be addressed. The examinations for these appointments will, as a rule, be held in the month of August. (2.) The selected candidates will be expected to leave for the colony during the month of October following the examination. (3.) The salary of a cadet commences at the rate of 3,000 rupees a year. A free passage is granted, and half salary is allowed from the date of embarkation, and full salary from that of arrival in the colony. A bond must be entered into by each cadet, and two approved sureties, with the Crown agents for the colonies, to secure that, in case of his dismissal, or in case he shall within four years from the date of his arrival in Ceylon, either quit the colony without leave, or relinquish his appointment (except on account of ill-health), he shall, if required by the Governor, repay to the colony the cost of his passage out. The subjoined Minute contains the rules at present in force respecting the employment of cadets. They are, of course, alterable from time to time by the Government. (4.) In order to facilitate the study of the native languages, all cadets will, from the date of their being placed on the permanent staff, receive a pundit allowance of 30 rupees a month during 21 months. Such allowance will be drawn by the cadet only on 0.135.

Chairman—continued.

his certificate that the teacher has been actually and *bonâ fide* employed. During these 21 months of study, cadets will be attached to one of the public offices, which they will be required to attend for a certain time each day, as may be directed by the Governor, in order to give them an opportunity of learning the details of public business, without interfering with their reading. (5.) The civil servants are paid as follows: Passed cadets at the rate of 3,500 rupees per annum; officers in the 5th class at the rate of 4,000 rupees per annum; officers in the 4th class at the rate of 4,500 rupees per annum; officers in the 3rd class at the rate of 7,200 rupees per annum; officers in the 2nd class at the rate of 9,600 rupees per annum; officers in the 1st class at the rate of from 12,000 rupees to 18,000 rupees per annum. (6.) Subject to the necessities of the service, leave of absence on half salary may be granted to members of the permanent Government service after a period of six years' resident service in the colony, without any special grounds. It may be given before the expiration of that period in cases of serious indisposition or of urgent private affairs. In the absence of special grounds, the leave in such case must not exceed one-sixth of the officer's resident service; on special grounds it may exceed that period by six months. In addition to the above, vacation leave on full pay may be granted, if no inconvenience or expense is caused thereby, not exceeding three months in any two years. (7.) The present rule as to superannuation is that in the case of ill-health an officer may be allowed to retire on a pension after ten full years' resident service; otherwise he must have attained the age of 55." That is analogous certainly, as far as that is concerned, to the rules of the service in India. Then they get better terms, "For 10 full years' resident service, fifteen-sixtieths of the average annual salary of the retiring officer's fixed appointments for the three years prior to retirement, may be awarded, to which one-sixtieth may be added for each additional year's service; but no addition will be made in respect of any service beyond 35 years." I have simply read that to show what are the general terms of service, and I may say that the Straits Settlements and Hong Kong cadetships are placed practically on the same footing. But of course that is only a point which leads up to what was the main object of the reference. I will put this in, if I may (*the document was handed in*). This was to lead up to the question of the manner in which the exchange question had been dealt with in the colonies. This is a letter which I will put in, addressed to the secretary of the Indian Uncovenanted Civil Service Association, from Downing-street, from the Colonial Office, dated the 25th March 1890: "Sir,—In reply to your letter of the 20th instant, I am directed by Lord Knutsford to transmit to you copies of two Minutes of the Ceylon Government, as noted in the margin, from which you will see that at present the rate of exchange for salaries on leave and pensions in this country, is 1 s. 10½ d. to the rupee, in the case of all officers in the Ceylon service, except those who were appointed before the Ceylon Currency Order

B

Order

8 July 1890.]

Mr. JENKINS.

[Continued.]

Chairman—continued.

Order in Council of 1869 came into force, and who did not receive a 20 per cent. increase to their salaries in 1875, these latter being entitled to the rate of 2 s. to the rupee. Although no change has recently been made in the rate for drawing salaries and pensions in England, his Lordship does not wish to be understood as committing himself to any opinion as to whether the present arrangement is not open to criticism from the point of view of the Ceylon taxpayer."

59. Those conditions of service you have put in are of the date of 1888, are they not?—I assume those are the ones that were sent in 1890. Those are the ones enclosed in that letter.

60. They are not the conditions upon which those officers who, you say, have been so favourably treated by the Colonial Office entered the service?—That is perfectly true, and ought to be noted.

Mr. Barbour.

61. I suppose we must not take it from that letter, that 1 s. 10½ d. is the fixed price at which the rupee is sent into this country?—No; I understand what is meant is that in paying the pensions of Europeans who have served in Ceylon and these other places in this country (we are referring to Ceylon particularly), the rate is settled at 1 s. 10½ d. to the rupee; supposing that a man retired upon a pension of 5,000 rupees, he would only get 5,000 1 s. 10½ d. paid to him in England.

62. Because the exchange is at about that price?—No; the exchange is very much lower. It is, in fact, 1 s. 4½ d., or something like that.

63. In Ceylon?—I do not know as to to-day. It may be 1 s. 6 d.

Chairman.

64. It is 1 s. 6½ d., is it not?—The object undoubtedly of this Minute of the Council which I am going to read was to protect the civil servants from a certain amount of the loss which they would incur by the fall in the rupee.

65. I think Lord Knutsford in the letter you read expressly reserved his right to make alterations?—No, he only reserves his opinion; he does not say there will be any change. The latter says, "Although no change has recently been made in the rate for drawing salaries and pensions in England, his Lordship does not wish to be understood as committing himself to any opinion as to whether the present arrangement is not open to criticism from the point of view of the Ceylon taxpayer." The Minutes by the Governor (when he had to deal with this question of exchange) were furnished with that letter, "Under instructions from the Right Honourable the Secretary of State, His Excellency the Governor has been pleased to direct that the rate at which half salaries and pensions will be paid by the Crown Agents to officers appointed to the service since the Order in Council of 1869 came into force, will be at the rate of 1 s. 10½ d. to the rupee." It is stated

Chairman—continued.

in a note: "The privilege of receiving half salaries and pensions in England at 2 s. the rupee has been withdrawn in the case of the 1st, 2nd, and 3rd classes of the Civil Service, and other officers whose salaries have been increased." Then the Minute proceeds: "With regard to officers whose service counts from periods prior to the date at which the Order in Council came into force and who may hereafter be promoted to other offices with higher salaries in the colony, the Secretary of State is willing to admit their claims to be paid at the higher rate which they have hitherto received; and in the calculation of their half salaries and pensions payable in England, such an addition will be made to the number of rupees to which the officer would be entitled in the colony, as will, when converted into pounds sterling at 1 s. 10½ d. per rupee, secure to the recipient in England a sum equal to that which he would have received under the arrangements which existed when he entered the service." That is a point which may be emphasized, that was the object, that the rule should not be retrospective, but that the arrangement existing at the time when he entered the service should be enforced. I hand that in. (*The document was handed in.*)

Mr. Buchanan.

66. What is the date of that?—Colombo, 19th August 1873. Then there is another Minute, dated the 29th January 1883: "To obviate any possible misunderstanding it is hereby notified, for the information of those whom it may concern, that officers who received an increase of 20 per cent. to their salaries in 1875 are and will be entitled to draw pay in England when on leave, and pension in England on retirement, at the rate of 1 s. 10½ d. to the rupee, and at no higher rate; but such pay and pension will be calculated upon the increased salary." That of course is a subsidiary point which does not concern us here.

Mr. Barbour.

67. Is that 1 s. 10½ d. the rate still paid in Ceylon?—Yes, that is the rate at which salaries continue to be paid to-day, and will, I presume, continue until the taxpayer of Ceylon takes the objection which Lord Knutsford suggests. Then I may state with regard to the Mauritius that there also the question came up; a question of the settlement of the rates of exchange. On the Mauritius Legislative Council it must be remembered that the majority are non-official members, and to a large extent anti-English; but in 1887 they decided, with regard to all officers appointed after the 1st January, that the rate for half salary was to be the market rate; but as to all officers appointed previously to that they held themselves bound to pay at 2 s. to the rupee.

Chairman.

68. Now we will revert to the second point in the Case; the "retrospective" clause of the Civil Pension

8 July 1890.]

Mr. JENKINS.

[Continued.]

Chairman—continued.

Pension Code; have you any facts which you think ought to be brought to the notice of the Committee in condemnation of such a rule as that?—In the first place, in point of fact, the Committee will notice that the rule is an India Office rule, that it was not a rule of the East India Company. It is challenged on that ground, that certainly down to 1858 no such rule was heard of, that the Directors reserved the right to make new rules, giving them a retrospective operation. That is the first point. Then there is the argument of inference from the actual way in which the Court of Directors treated the question, and in what terms they issued their rules. Perhaps that brings up conveniently the whole discussion of the rules from 1831, down. The Committee will find in the Pension Codes, which are supplied from the India Office, that the Pension Rules of 1831, which were the first that related to the uncovenanted civil service, are given. Those rules, as stated in the case, it is known historically, were designed to be applied chiefly to the Asiatics (to the natives), who then formed the uncovenanted service, and were not originally meant to be applied to Europeans. The Committee will remark that under those rules there was no period fixed originally at which a civil servant was to retire. He was to serve until he was medically incapacitated for further duty, in order to obtain a pension; and it was fixed that if he had been "more than 20 years, but less than 30 years, in the service, the amount of pension shall not exceed one-third of the monthly salary, or authorised official allowance of such individual, calculated on an average of five years previously to the date of application for such pension." And second, "if the period of actual service shall have been 30 years or upwards, the amount of the pension shall not exceed one-half of the salary or authorised allowance of the individual, calculated in manner above stated." Therefore, those rules gave a man who had served sufficiently long to have been retired on medical certificate, after 30 years' service, half his salary for five years previously as a pension. It is admitted that that applied, and was intended to apply, originally only to the case of natives who were drawing small salaries, and a point is made of that, in fact, in the arguments which passed between the Government of India and the Secretary of State from 1862 (in the correspondence) to 1864. We shall come to that later on. The next thing was that Despatches passed between the Court of Directors and the Government of India in relation to the superannuation allowance of various Europeans, who between 1831 and 1853 had been gradually drafted into the service. The Committee will observe that in the case on page 32 it is stated that a large number of such men had been drafted into the service. There was a Despatch of the 28th February 1855. It appears that there were then in the service of the Indian Government men with appointments of 1,000 l. to 2,400 l. per annum who were uncovenanted civil servants. That is stated in paragraph 3 of that Despatch, and it appears from the Despatch of the Court of Directors dated 20th July 1853, paragraph 5, that a letter from the Government of India dated 30th May 1848 showed the total 0.135.

Chairman—continued.

number of uncovenanted educational officers alone was 559 persons, to whom the privilege of the Rules of 1831 was extended in 1853. It is important to recall that fact with reference to the argument which will be presently made from the Despatch of 1862. It is perfectly clear that before the Court of Directors adopted what I am about to call the attention of the Committee to, that is to say, the pension and other Rules of 1855 they had distinctly before them the fact that the uncovenanted service already contained a large number of Europeans who were drawing high salaries. Then in 1854, the Court of Directors sent a Despatch to India, which to some extent modified the Pension Rules of 1831; and it is very important to notice the extent of that modification. The Pension Rules of 1831 gave a half-salary pension on retirement on being physically incapacitated. Then the Court of Directors, on the 5th May 1854, laid down this rule: "We authorise you to grant to any uncovenanted servant, belonging to a class recognised by the present rules" (which included of course, Europeans in the uncovenanted service), "who, though not possessed of medical certificate of incapacity, may be permitted to retire from the service, and who can produce unquestionable testimonials of a faithful efficient discharge of his duties during a period of 35 years, a pension equal to half the average salary, which he may have received during the last five years of his service. These pensions are to be regarded as rewards of good service; they will not in any case be claimable as of right, and every pension which you may see sufficient reason to grant must be reported to us, with a statement of the grounds of your proceeding." Now, I would submit to the Committee, that that was a rule which was intended to enlarge to the service the benefits of the Pension Rules of 1831, and, in this respect, that whereas before, a man could not be retired, unless he could produce a medical certificate of incapacity, it was intended that if it could be shown that it was feasible to retire a man after he had served 35 years, he should be entitled to exactly the same privileges as those which had previously been accorded to men retired under a certificate of medical incapacity. Then it went on to say, with regard to these pensions, and it is most important to notice this clause, because a great part of the argument of the service turns upon it—"These pensions are to be regarded as the rewards of good service." What pensions? The pensions referred to in this clause; that is to say, those pensions which were granted after 35 years' service, and which were pensions in a certain sense excepted from the kind of pensions which were the general pensions of the Uncovenanted Civil Service, as laid down under the Rules of 1831. It goes on to say that "they will not in any case be claimable as of right," and then they go on to say that "every pension which you may see sufficient reason to grant, must be reported to us." Now, with regard to that expression; "they will, not in any case, be claimable as of right." I may call the attention of honourable Members to a statement which shows what was intended by the Company to be the meaning of that clause.

B 2

69. Do

8 July 1890.]

MR. JENKINS.

[Continued.]

Chairman—continued.

69. Do you say these "retrospective" clauses are so interpreted by the Secretary of State for India as to give him the right to change by new rules the covenants and conditions under which officers entered the service?—Unquestionably. I hold that that has been actually done. It was done in 1862–64.

70. That is to say, the position of the uncovenanted civil servant of India is this; that although he has made a covenant and bargain with the Secretary of State, yet the Secretary of State has power under this rule of the Civil Service Pension Code to set aside the whole bargain that he has made, and to make a new bargain at any period of his service?—Precisely; that is claimed under the code.

71. Has such an interpretation ever been put upon it by the Secretary of State, or has such an interpretation ever been acted upon?—I think many cases in which that has actually been done will be brought before the Committee by members of the service. Of course, I cannot give evidence upon that point myself. But I may say, from reading the Despatches, and as will be seen by the argument which is contained in this case, the Secretary of State has assumed that power, and has exercised it.

72. I should myself understand the rule in the Civil Service Pension Code merely to give the Secretary of State power to make rules and regulations within the conditions and contracts under which Civil servants have entered his service, and I should say that any rule or regulation made by him which had the effect or would apparently have the effect of making an alteration in the conditions of service, would be *ultra vires*?—I shall proceed to show at all events what the Government itself has stated; that is to say, what the Secretary of State has himself claimed the right to do in the Despatch of 1862.

73. There is no pretence on the part of the Secretary of State that if, under a man's covenant and contract he is entitled to a certain pension or certain terms, he can be deprived of that right by a rule made under Section 2 of the Civil Service Pension Code?—I do not know what the mind of the Secretary of State is; I can only deal with the fact that is stated here that the Government reserves to itself the right to change the rules at its discretion, and to interpret their meaning. Then I find that the Government carefully guards itself (has done so during a long series of years) by its covenant with these men by saying they are to have applied to them the rules in force at the time they leave the service; the pension rules, for instance, in force at the time they leave the service. So that if the two things are taken in conjunction, if a man has covenanted he appears to have no rights, and if a man has no covenant the whole course of Resolutions and Despatches show that the Government has treated him as if he had not any. Of course I cannot pronounce an opinion as to the way in which this is carried out by the Secretary of State. I can only produce the fact that that is the rule.

Mr. Howorth.

74. Is it a fact that in each one of those agreements made with the covenanted civil servant, one term is that he shall be bound by such rules as are in force at the time he resigns rather than by the rules which were in force at the time he enters the service?—That is so; and I say that because I have the covenant here. That is so; and he has been for many years.

75. That is one of the terms of the arrangement, is it?—Yes, it will be seen directly that in the old covenants of the Company it was different. There is no question that under most of the Company's covenants, down to, for instance, I think, as late as 1856 the Company did give the men the right to the rules which were in force at the time he joined the service, and that they meant to do so; but that is a point I shall come to later.

Chairman.

76. You are attacking a contention which the Secretary of State does not set up?—But if in fact it is put in execution by the Government of India, that is the whole question of course for the Committee.

77. If you could adduce a case in which a civil servant, having rights under his covenant or contract with the Secretary of State, had been deprived of those rights by an *ex post facto* rule under these clauses, that would be a case in point?—I have no doubt that there are such cases.

78. It would be better if you would submit to the Committee some case, such as that which I have described, because that would undoubtedly furnish reasons for some alteration or interpretation of the rule?—Of course I am entirely in the hands of the Committee; but in the first place the men object to the rules that now exist, and they object to them on the ground that it was unfair, that the Secretary of State has exercised his assumed privilege under that Section of the Code to alter the rules and give them retrospective effect. That is a more general grievance than the mere grievance of an individual. I can give grievances I think of that kind, but that is not the point. The point is that the whole service complains.

79. What I understand the rule to mean is this; that the Secretary of State is at liberty to vary from time to time the technical rules under which an officer draws his pension. Suppose, for example, there is a rule requiring a certain certificate of his being alive to be furnished at the time when the pension is drawn; it is open to the Secretary of State, under these clauses, to alter the nature of the certificate required; the formalities of it; the period at which it is to be supplied, the frequency with which it is to be supplied, and so on. Those would be all rules which he could alter, and which the officer would have to conform to. But if it had been, for instance, a condition of the covenant that his pension should be paid in sterling in London, the Secretary of State could not, under these clauses make a rule that his pension should be paid in rupees in Calcutta?—The distinction, if you will per-

8 July 1890.]

MR. JENKINS.

[Continued.]

Chairman—continued.

mit me to remark, is that all the men have not covenants, therefore it would not do to keep the case down simply to the men who have written covenants, because those only form a very small proportion of the men whose grievances are before the Committee to-day. I do not know the exact number of men with covenants, perhaps no one does know, but at all events it is a very small proportion relatively of the service. What the service complains of is that this rule is so applied that from time to time the Government arbitrarily changes the pension and leave rules and apply them retrospectively to men who have already, as they contend, earned their rights under former rules. That is the general principle to which this evidence is being directed, and my part of the business is only to show that that is so, as shown to be a fact on the face of the Resolutions themselves and the Despatches.

80. All that you need do, I think, is to give evidence that alteration such as I have specified, has been enforced?—Precisely. I do not know that I have done otherwise; I think I have not done otherwise. The point to which I was directing your attention was (this is part of the very case with regard to which you have now asked me for evidence), that under the Rule of 1855, which modified the Rules of 1831, there was a statement made that the privilege of the new rule should not be claimable as of right; and it will be found on examination of the Clause that that applies simply and solely, and was only intended to apply by the East India Company, to the case of those men who came under the operation of that clause, and was not intended to have a general application to all the pensions under the Rules of 1831. I think if you look at the clause you will see that that is the only possible construction of it; that when they used that expression, "they will not in any case be claimable as of right," what they meant was this, that the man who was retired at the end of 35 years, not having produced a certificate of physical incapacity, should not have the right of claiming his half-salary pension.

81. Had the man ever the right to claim this half-salary pension? Was not the half-salary the maximum beyond which the Government had not the power to go?—Precisely. I mean whatever pension was fixed by the Rules of 1831; this was a modification of the Rules of 1831. It was only with regard to the men who came under that modification that the Court of Directors used that phrase, "they will not in any case be claimable as of right." It is important to note that, because it will be seen directly in the arguments in the Despatch of 1862 that that is applied generally to the case of all pensions.

82. Have you anything further to say upon this second point?—The contention, of course, of the men is that the Despatch of 1862 and the Rules of 1863–64 practically did deprive men who had already acquired rights under the company, and previously to the Act of 1858, of their rights, and had done so arbitrarily. Perhaps I may be allowed, with regard to that, to put in (as

O.135.

Chairman—continued.

it was presented to the India Office) the case of the men who entered the service before 1858 under the company. They drew up the Memorial of 1888 to the Secretary of State for India, of which memorial I have a copy here. It will be observed that the contention of those gentlemen was that they were entitled to the benefit of the Rules of 1831 and of 1855. The Rule of the Court of Directors of 1855 was this; that as regarded men who had entered the service previously to the date when the Resolution was published in India, they were left under the Rules of 1831, but that, as regards all men who were retired after that day, the maxima of pensions were fixed at 500 L. I perhaps had better read the exact terms of that Resolution, because a good deal turns upon it: "On 19th May 1855 the Government of India published a Despatch of the Court of Directors which limited pensions for uncovenanted servants appointed after that day to 500 L. a year if their pay exceeded 1,000 rupees a month, or to 400 L. a year if their pay ranged from 700 rupees to 1,000 rupees a month. This limitation applied alike to the one-third pay pension and to the half-pay pension." Now in the quotation which will be found in the Case the Court of Directors, it will be observed, recognised that the general rule was that the maximum pensions should be granted. That is the suggestion made by the service, that that recognition in the general rule was that the maximum pension should be granted, and that the granting of a lesser pension in certain individual instances was a rare exception, due possibly to incompetence or faults on the part of the officer. That is simply a statement of inference from the rules and regulations of the directors. That is stated on page 50 of the case. Now this case of the men who joined the service previously to 1858 was stated in a memorial to Lord Cross, and they based their case first of all on the terms of the rules of the East India Company, and secondly, upon the reservations of their rights under the Sections 57 and 58 of the Government of India Act. They submitted that they were entitled to the favourable pension rules of the late East India Company, because they had all been in the service of the East India Company, and, subject to the company's rules and regulations at the time of the transfer of the Government of India to Her Majesty the Queen.

83. Is not your contention this: Before 1858 an Uncovenanted Civil Servant in the service of the East India Company, might have a pension awarded to him of which the maximum was half his salary?—Precisely.

84. Do not they now contend that every man who was in the service prior to 1858 was entitled, if he behaved himself well, upon his retirement, to this pension of half his salary?—Yes.

85. And do not they further say that if a man was in the service prior to 1858, at however small a salary, he is now entitled, no matter to what height in the service he may have risen (if he becomes a judge of the High Court, for instance, to half his salary when he retires?—

B 3

That,

8 July 1890.]

MR. JENKINS.

[Continued.]

Chairman—continued.

That, I assume, is putting an extravagant case; all they say is that they entered the service under certain rules, that the practice (and that is admitted by a Despatch of the Secretary of State, it is admitted in one of Sir Charles Wood's Despatches, I think it is his, of 1862) had been, in the case of the East India Company, to grant the maximum salary. In fact, repeatedly it is admitted in several cases, which are mentioned in this case, that they did in point of fact grant them to the men who had done good service, not extraordinary service, but who had simply worked out their service in a workmanlike way. These men therefore say, "There was nothing against us;" that is to say, these men whose memorial I am now bringing forward say, there was nothing whatever against us; on the contrary our services were accredited as good by the Government of India itself; nevertheless when we retired, having entered before 1855, at the end of our 35 years' or 30 years' service, we were told, "You come under the pension rules of 1863-64," and in fact those rules were applied to them. They sent in a memorial which I will put in, and the answer which was made by a high official at the India Office shows the ground which was taken in reference to that appeal: "With reference to the memorial dated the 15th May 1888, signed by the late Mr. W. Clark, yourself, and other retired members of the Indian Uncovenanted Service who entered under the pension rules of 1831, I am directed by the Secretary of State for India in Council to inform you that he has now received from the Government of India the enlarged memorial dated the 31st of October last, which he has carefully considered. In the 12th paragraph of the memorial a quotation is given from the Despatch of the Court of Directors, dated the 5th of May 1854, No. 18, from which it is clear that the pension, equal to half the average salary which the Government were authorised to grant after 35 years' service without medical certificate, was not in any case to be claimable as of right, and according to the final words of the Despatch, every pension which that Government might see reason to grant was to be reported to the court, with a statement of the grounds upon which it was granted. It was subsequently laid down in the Despatch of 28th February 1855, that in no case should a larger pension be granted under the rules than 400 l. a year to uncovenanted servants receiving salaries not exceeding 1,000 rupees a month, or than 500 l. a year to those whose salaries were in excess of that sum. But it still remained open to the Government of India, in regard to officers who entered the service before the 19th of May 1855, the date of the general order issued on the receipt of that Despatch, to recommend the grant of a pension exceeding those limits in cases where they considered that the services of the officer had been of such extraordinary merit as to justify a higher pension, and in certain cases this course has been followed." This is a clear case of *ex post facto* repudiation of the Rules of 1831.

86. Is that not rather a matter of argument than a matter of evidence?—If so, I withdraw it.

87. I understand these gentlemen claim not

only a limit of half their salary which they were receiving in 1858, but they say that to whatever height in the service they rise, or whatever salaries they subsequently receive, they have an indefeasible right when they retire to half their salary whatever it may then be; is not that the case?—They claim simply to have the privilege which is asserted in the Superannuation Acts in England, that a servant who enters under certain rules is to go out of the service with the benefit of those rules, unless he accepts some other compensation. I understand that is the case put forward by the men.

88. Do you contend that when a man has a right under the rules to a maximum pension of a certain amount, if you give him anything under that maximum pension, you are abrogating this right?—I do not think it is put in that way. It is hardly fair to put it in that way, with submission. What I understand is this; that when a rule lays down that if a man performs good service he shall be entitled to a maximum pension, it is certainly a repudiation of that contract to say that he is to perform a service of extraordinary merit in order to get it.

89. Is there a rule, or was there any rule in existence prior to 1855 or 1858, or whatever the date is that you take, saying that if a man should render good service, he will be entitled to the maximum pension?—Unquestionably the rule itself says so, which I have just read.

90. Where?—It is on page 122 of the Code, of the sixth edition, the 1884 edition.

Sir William Plowden.

91. Is not this on page 36 of the Case?—I am taking it from the Case. First of all, the statement upon page 36 of the case is this; "These pensions are to be regarded as the rewards of good service. They will not in any case be claimable as of right, and every pension which you may see sufficient reason to grant must be reported to us with a statement of the grounds of your proceeding." It must be particularly observed that this refers only to men who do not retire under a medical certificate of incapacity, and who retire after 35 years' service. Now the contention of the service is, not that that is a solemn acknowledgment to pay the maximum to any man who retires at the end of 35 years, but that if a man has really put in an efficient and faithful discharge of duty that he had a right to expect that the maximum would be awarded him.

Chairman.

92. I think all this is now more matter of argument than of evidence; I do not understand that there is any dispute as to the facts?—The case that I am laying before the Committee at the moment is the case of those gentlemen who, in point of fact, say that, being entitled under that rule to half pension, they were refused it; and I was reading what the reply of the India Office was to it; simply, in point of fact, the reply of the India Office was, that a pension was not

"claimable

8 July 1890.]

MR. JENKINS.

[Continued.]

Chairman—continued.

"claimable as of right;" and according to the final words of the letter, "every pension which that Government might see reason to grant was to be reported to the Court, with a statement of the grounds upon which it was granted. It was subsequently laid down in the Despatch of 28th February 1855 that in no case should a larger pension be granted." It will be observed that, in point of fact, the India Office here refers these gentlemen to a subsequent alteration of the rule in justification of having—instead of giving them either the pension to which they claim to be entitled under the rules of 1831, or the modified pension to which they claim to be entitled under the rules of 1855—refused to do either, and it has settled with them under the rules of 1870.

93. Surely that is a matter of argument?—I can only give the effect of the reply which was from the India Office.

94. Yes; but in your own words; you are giving your gloss upon the reply?—Precisely. I offered to read the words themselves; if the Committee wish, I will.

95. They have been read, I think?—No, I have not read them.

96. Let them be read then?—"In the 12th paragraph of the memorial a quotation is given from the Despatch of the Court of Directors, dated the 5th May 1854, No. 18, from which it is clear that the pension, equal to half the average salary, which the Government were authorised to grant after 35 years' service, without medical certificate, was not in any case to be claimable as of right, and according to the final words of the Despatch, every pension which that Government might see reason to grant was to be reported to the Court, with a statement of the grounds upon which it was granted. It was subsequently laid down in the Despatch of 28th February 1855 that in no case should a larger pension be granted under the rules than 400 l. a year to uncovenanted servants receiving salaries not exceeding 1,000 rupees a month, or than 500 l. a year to those whose salaries were in excess of that sum. But it still remained open to the Government of India, in regard to officers who entered the service before the 19th of May 1855, the date of the General Order issued on the receipt of that Despatch, to recommend the grant of a pension exceeding those limits, in cases where they considered that the services of the officer had been of such extraordinary merit as to justify a higher pension; and in certain cases this course has been followed. In the case of none of the memorialists, however, was such a recommendation made, and the Government of India, having again examined the records of service in each instance, have reported that they see no reason for granting to any of them higher pensions than have been already sanctioned. I am accordingly to inform you that Viscount Cross is unable to comply with the prayer of your memorial; that you and your fellow signatories may be granted pensions equal to half of your average emoluments during the last five years of your service. I am, &c. (signed) John E. Gorst." The contention of these men is simply this—it

O.135.

Chairman—continued.

illustrates the point that we are putting with regard to the retrospective alteration of rules—they say that it was the rule, and the practice, of the East India Company to grant the maximum, and they will show that that was the practice. Of course, I am not prepared here with the facts with regard to that. It was the practice of the East India Company to grant the maximum, and, in confirmation of that, I would call attention to the fact that when the East India Company referred to cases of extraordinary merit it was its practice to grant more than the maximum. That is a point, of course, which serves to show that it was the regular custom to give the maximum.

97. You need not direct your evidence against a contention which the Secretary of State is prepared to say he never set up, namely, that he claims the power of depriving gentlemen, by *ex post facto* rules, of rights which have accrued to them. When the time comes, the Secretary of State will, by evidence which will be given, say that he never has intended to, and, as he believes, never has set up such a contention as that, and that these cases you are now adducing are explicable upon other grounds?—The only question is, then, that it would be necessary to alter the rules, in order to bring them into conformity with the intention of the Secretary of State, because, as carried out in practice, they have a retrospective effect.

98. That is exactly what I invited you to give evidence to the Committee of; a case in which the Secretary of State has ever, by an *ex post facto* rule, abrogated a right which has already existed?—That is precisely what I am endeavouring to do. First, I have done so by the rules of 1831; I have given you specific cases.

99. I quite understand what you have put; I should now proceed, if I were free, to cross-examine you upon it; but because I do not cross-examine you I hope the Committee will not suppose that I admit the justice of the interpretation which you have put upon the action of the Secretary of State in this matter?—I only desire to lay facts before the Committee. What I was going to point out was that the answer of the Under Secretary of State to these gentlemen was based upon this theory: You gentlemen, it is true, came in originally under the Rules of 1831, and were entitled to their benefit; but, subsequently, the company altered their rules—

100. Oh, no; I do not admit that. I do not admit that the answer of the Secretary of State which you read has been based upon an alteration of rules. I do not admit that the Secretary of State says, I will not give you a half pension, because the rules have been since altered?—No, pardon me, I was only going to say what the Secretary of State did say: "It was subsequently laid down in the Despatch of 28th February 1855, that in no case should a larger pension be granted, under the rules, than 400 l. a year." That is applied to these gentlemen, and it is said that an exception was made. How? It was made by rules which were established in 1864. An exception was made that the Rules of 1831 should only be applied in cases

B 4

of

8 July 1890.]

Mr. JENKINS.

[Continued.]

Chairman—continued.

of extraordinary merit. The contention of these gentlemen was that the company intended them to apply in cases of ordinary merit, and that therefore they were entitled to their half salary. The answer of the Secretary of State is, that their services had not been reported to be of such extraordinary merit as to entitle them to it. Now the contention is that that is an application of an *ex-post facto* rule, because the extraordinary merit rule was a rule that was invented in 1862, and the Secretary of State applies it here to men who entered the service before 1855.

101. Then I understand you to say that inasmuch as the Government of India in its discretion did at one time (assuming it to be so, for the sake of argument) make a practice of giving a half salary to all its servants on their retirement, it has deprived itself of all discretion and must for all time give half salary, and has no discretion whatever to reduce the pension?—No, I do not go so far as that.

102. Is not that your view?—No, I do not put it in that way. I simply put it that the men complain that having entered under certain rules, which said that if they faithfully and efficiently discharged their duties they would be entitled to a maximum of so much, that then by a subsequent rule they are told, No, your duties must be duties of extraordinary merit to entitle you to the maximum at all.

103. I do not admit your words “by a subsequent rule.” All I want to do is to put in a caveat, and to say to the Committee that they must not assume that the Secretary of State admits the correctness of the construction put by you upon his argument. Having heard all that you have said, and all that you have read, I shall, when the time comes, contend that the Secretary of State never has put such an interpretation upon this rule. I think we might now go on to another point, unless you have some fresh facts to state about this?—Perfectly. I simply want to point out this: I think it is only fair that it should be done, as perhaps I am the only one who can do it. I point out that the Secretary of State decided in 1862 that only in cases of extraordinary merit should the maxima, under the Rules of 1831, be granted. Perhaps I may be allowed to state what the argument is.

104. I think you have stated that already?—No, excuse me, I have not been allowed to complete my statement. I simply stated first that the rule of the company was to grant the maximum, and when I was asked another question, I was going to show that that is proved by a statement of the Court of Directors in a Despatch of the Financial Department of the 20th June 1849, in which they say, “The sole grounds on which a justification of the relaxation of rules so liberal in their provision as are the superannuation pension rules for the uncovenanted service can fairly be based, are either extraordinary service performed, injury sustained in the discharge of public duty, or a sudden termination of official service resulting from a visitation, such as blindness.” And then they go on to and say, “Old age should not be considered as a ground for the grant of special pensions. These grants should be avoided ex-

Chairman—continued.

cept in the case of a very high degree of merit.” I simply put in those statements to show what the view of the Court of Directors was with regard to that question of extraordinary merit. Then I carry the Committee on to the Despatch of Sir Charles Wood, No. 205 of 1862, in which he said: “I must observe that under the existing pension rules an uncovenanted servant is not entitled to claim a pension of the full amount, which is only authorised as the reward of approved service, and when the rules were framed it could not have been contemplated that a larger pension than 500 *l.* per annum could ever be granted.” Now, what the service contends with regard to that is, that the latter part of it is not true; that is, that “when the rules were framed it could not have been contemplated that a larger pension than 500 *l.* per annum could ever be granted.” It is not true in its relation to the question which was being argued in this Despatch, because what they say is, that the Rules of 1831, it is true, were originally applied to Asiatics having small salaries; but they point out that the Rules of 1831 were subsequently and definitely applied by the company to Europeans who had entered the service, and who were receiving high salaries, and that that was shown and confirmed by the Resolution of 1835; therefore, they deny that it was correct for Sir Charles Wood to say that when the rules were framed, it could not have been contemplated that a larger pension than 500 *l.* would ever be granted, because in point of fact the rules were actually applied by the company to the men with the intention of giving them half-pay pensions; and it was admitted in a Despatch that I quoted just now, that there were actually men engaged at that time in the European uncovenanted service who were receiving salaries of from 1,200 *l.* and 1,400 *l.* a year. Then later on in that Despatch, the Secretary of State added, “under any circumstances, therefore, the full pension should only be awarded in cases of extraordinary merit.” Now, what the service contends is, that that sentence in itself virtually involves a repudiation on the part of the Government of the real effect of the Rules of 1831 and 1855. Of course, I am not at liberty to argue that. Then I promised to give the Committee a fact which would show what the meaning of the Court of Directors was in saying, “These pensions are to be regarded as the rewards of good service. They will not in any case be claimable as of right.” Light is thrown on the meaning of those words by reference to the Company’s leave rules of 1846, section 13, “No leave of absence on private affairs shall be claimable by any party whatever under the rules as a matter of right,” thus distinguishing leave on private affairs from other leave which it was to be presumed was claimable as matter of right. There can be no doubt, at least it is submitted on behalf of the service, that when the directors use the words, “These pensions will not, in any case, be claimable as of right,” they simply meant them to apply to the men who had come in under the Rule of 1854. That is the men who retire after 35 years’ service without medical certificate, and that there was no intention whatever of laying that

8 July 1890.]

Mr. JENKINS.

[Continued.]

Chairman—continued.

that down as a general rule of the service. Then you asked me if I could give specific cases in which the Government had repudiated its covenant. I will give some cases. I have here the case of two officers; I do not know whether I ought to mention the names?

105. Are they going to be called?—They are not going to be called, but these are official Despatches which have passed with the Government, and which I should ask leave to put in.

106. What I want from you is this, I do not know perhaps that you quite appreciate it. An officer who makes a claim for an increased pension, and is refused, of course says that the Secretary of State has repudiated his covenant?—Yes, that of course.

107. He does not apply for the increased pension unless he thinks he is entitled to it, and reads his covenant in such a way as entitles him to it, and therefore, when he is refused, he says, “Oh, the Secretary of State has repudiated his covenant.” What I want you to do is to produce any case in which the Secretary of State himself says that he repudiates the covenant. Can you find me a case in which the Secretary of State says, “No doubt you are entitled to such-and-such an increase of pension under the rules in force prior to the year 1855; but inasmuch as these subsequent rules have been made, your right, which had accrued, has now been abrogated”?—I contend that that is an instance in point.

108. If you are going to give individual cases in which the applicant contends that the Secretary of State has repudiated his covenant, it will not advance us much further?—No, except in this respect, that the Secretary of State, by an official Despatch, has really assumed the responsibility for the refusal to carry out the agreement.

109. That is the construction you put upon the Despatch you have read, is it not?—No, I am not speaking of the general Despatch: I am speaking of a particular application to an individual. This is one of the cases in which the India Office addressed a gentleman who was to go out to be professor of history and political economy in the Elphinstone College of Bombay. This is dated 23rd January 1873: “Sir,—The Duke of Argyll having been pleased to appoint you to be a professor of history, with political economy, in the Elphinstone College, Bombay, I am directed by the Secretary of State for India in Council to acquaint you that the following are the terms and conditions on which your appointment has been made, and that, on signing in writing your acceptance of them, the sum of 150 *l.*, being the amount allowed for outfit and passage, will be payable to you. Your salary, commencing at the rate of 600 *l.* per annum” (“600 *l.*” is put in figures), “will begin from the date of your reporting your arrival at Bombay to the Government of that Presidency, and will be raised in five years to 900 *l.* per annum by a yearly increase of 60 *l.* If your services be approved, you will thereafter be promoted to the senior grade, on a vacancy

0.135.

Chairman—continued.

occurring, and you will then receive a further increase of salary at the rate of 60 *l.* per annum for two years, and 90 *l.* per annum for the two next succeeding years.” Then follow the usual directions as to going out and so on. It appeared that objection was taken to paying the salary in pounds sterling, as other men were receiving their salaries in rupees.

110. Is the word “pounds” there in writing or in figures?—There is the figure with the *£.*, “the sum of 150 *l.*” would be advanced; and then “your salary commencing at the rate of 600 *l.* per annum will” go on.

111. That 600 *l.* is in figures?—In figures inserted at the India Office. There are several similar cases to this. Then comes a memorandum from the Financial Department, No. 250, Bombay Castle, 24th April 1887.

Mr. Bristowe.

112. What was the date of the original letter?—The date of the original letter was 23rd January 1873: “I have considered in Council your financial letter dated the 2nd November 1876, No. 389, submitting for my decision claims which have been preferred by Messrs. Peterson and Giles, of the Bombay Educational Department, to receive their salaries in India in pounds sterling in accordance with the literal terms of their letters of agreement, instead of, as hitherto, in rupees, calculated at the exchange of 10 rupees for every pound sterling.” It will be observed that here these gentlemen demanded something more than their pound of flesh. They demanded to be paid in pounds sterling, not at the rate of 10 rupees to the pound. “I see no reason to believe that, when accepting service in India, Messrs. Peterson and Giles contemplated receiving their salaries in that country otherwise than in rupees, calculated at an exchange of 10 rupees for every pound sterling, but as the salaries in their contracts are expressed in pounds sterling, the claims now asserted by them must probably be admitted. The inconvenience attending a departure from the ordinary practice of your Government, is, however, so apparent, that it appears to me to be desirable to terminate their existing agreements, or to dispense with their services at the earliest opportunity.” Of course I have no right to comment upon that: I simply put in the facts. It appears that on finding that it was bound by the terms of the contract to pay in sterling, as soon as the Government found that, although the men had already put in a good deal of service for pension, as soon as the Government found it inconvenient to make that contract good, they proposed to take advantage of the six months’ clause in the agreement and dismissed the gentlemen without any regard to the fact that they had already performed some service for pension.

113. But acting, of course, within their right under the contract: that is not an instance of the Secretary of State repudiating a contract, because he acts within the terms of it?—That is an instance of the Government action. I may say there is a letter, I believe in that correspondence, from the Secretary of State approving

C

* of

8 July 1890.]

Mr. JENKINS.

[Continued.]

Mr. Bristow—continued.

of that, suggesting that the men shall be dismissed.

Mr. Buchanan.

114. Whom did the letter you read come from; was it from the Governor of Bombay?—The letter I have just read is a "Memorandum from the Government of India, No. 2038, dated 17th April 1877, forwarding with reference to this Government communication," so-and-so.

115. As a matter of fact, were they dismissed?—No, they caved in.

Chairman.

116. Is not this rather a case of one party to a contract saying: I will have my pound of flesh; and the other party to the contract saying, very well, then I will have mine. In what took place, were not both parties strictly within the terms of the contract made; the applicants in insisting upon being paid in sterling, and the Secretary of State in insisting upon giving the six months' notice, which under the contract he was entitled to give?—Giving a six months' notice on the ground that he was asked to carry out his part of the contract, and after the men had established a moral claim to a pension, to deferred pay.

117. Did he state that to be his ground?—He does not say so.

118. Then how do you know that it is so?—I have to explain to the Committee that I made a mistake just now in attributing these words to the Bombay Government. I find they are the words of the Secretary of State. I may say that there is another case, which I will hand in to the Committee. Briefly, it was this: This gentleman had the same clause in his agreement. He was informed that it would be inconvenient for him to draw in sterling, and an intimation was conveyed to him at the end of 11 years, in the 11th year of his service, that if he did not withdraw and agree to a compromise he would be dismissed under the six months' clause.

119. Had he been drawing sterling or rupees during the 11 years?—He had for 11 years.

120. Been drawing sterling?—Yes.

121. Are you sure of that?—Yes; I will hand in the case next time I come. I have it here with me, but I do not think I could find it at this moment.

122. In the former case I understand the education officers did not draw their pay in sterling, but merely claimed the right to draw it in sterling; is not that so?—What I understand is, that between 1873 and 1877 they found that they used to receive it at the rate of 10 rupees to the pound sterling. They had done so, I believe. Then, finding that the rupee was going down, they demanded to be paid in the actual sterling under their covenant.

123. Was not that the case with the gentleman who had been 11 years in the service. Had not he been receiving his pay in the same way?—I will give you the details of that case. I cannot put my hand upon it at this moment. I only mention that there is another case.

Chairman—continued.

124. Now are you prepared to go on to the third point?—Perfectly. Perhaps I may be allowed to call attention to an argument on page 38 of the case (the men make a strong point of it), namely, that pension is deferred pay. They complain as regards that, that first of all, therefore, when they come to receive their deferred pay, they are paid in a depreciated currency; and, secondly, that when they come to the end of their service they are refused the full benefit of the rules.

125. I think you stated that at the outset?—Yes; I am saying that those are the two points under the third head. The attention of the Committee is strongly called to that. It will be observed what was said with regard to that in the evidence given by General Strachey at the end of page 38, and on page 39, where he says, that undoubtedly engineers were induced to enter the service on less pay than they were getting from the railways or from other employers by the fact that they were offered pensions. I should wish to call attention under the head that we have been upon, particularly to what is stated on page 45 of the case, the official despatch from Sir Rivers Thompson. In that despatch he discussed this very question with regard to the loss by exchange. It will be observed that he says: "In forwarding the first memorials which were received by him, the Lieutenant Governor was not aware how far the feeling expressed in them was shared generally by the body of civil engineers in the service of Government, and he did not therefore deem it necessary to add any remarks of his own. But from the submission of these additional memorials on the same subject, and from other sources, he has reason to believe that the question of loss by exchange, in so far as it affects the prospects after retirement of those officers whose pensions are payable in rupees, is one that is being discussed very generally, and is causing a considerable amount of discontent. His Honour desires, therefore, on the present occasion, to draw the special attention of the Government of India to the subject."

126. Are you not now going back rather to your first point?—No, I simply wish to put this in. I need not read it. I can put it in if the Committee will have it printed. I only want to point out that he argues here against what is practically an *ex-post facto* rule. You wish to take me to the next point, I understand you to say.

127. Perhaps we might now proceed to the third grievance?—Yes. The third grievance is that the amount of service exacted for the securing a pension in the case of a large body of the European uncovenanted servants in India is unduly long. Well, of course upon that, evidence must be brought forward by men who are acquainted with the service and with the climate of India. I cannot profess to offer any remarks upon that, except this, that I would wish to call the attention of the Committee to a Despatch of the Government of India to the Secretary of State, No. 227, dated the 4th October 1870, where the following passages occur:—"It being then established

8 July 1890.]

Mr. JENKINS.

[Continued.]

Chairman—continued.

blished that many important offices cannot ordinarily be filled either by natives of India, or by officers of the Covenanted Civil Service, or the Staff Corps, it is obviously most important that suitable rules for leave of absence to the officers who must fill them should be passed. Not only have the officers themselves a strong claim to liberal treatment in this respect, but it is most important in the interests of the public service, to facilitate by every legitimate concession, periodical visits to Europe or America by every native of those continents in our service, uncovenanted as well as covenanted. We cannot suppose that it was your Grace's intention *primâ facie* to exclude from the benefit of the more liberal rules to which you have assented, the many meritorious uncovenanted officers who are now in our service; * * * at least we can conceive of no ground upon which we could make any distinction between two gentlemen, not natives of India, of equal rank, or holding the same office in our service. * * * We desire strongly to recommend that whatever may be decided for the future, every officer now in our service in any of the appointments mentioned in the list (Schedule A., Civil Leave Code) attached to our draft rules may be admitted to the benefits of the more liberal rules which have now been approved by Her Majesty's Government. And for the future we would submit, for the consideration of Her Majesty's Government, that we shall be placed in an unfair position if the fact of an officer being appointed in India shall, *ipso facto*, place him in an unfavourable position as compared with officers not more than his equals, and perhaps his inferiors, only because they have been appointed in England."

128. What is the length of time that the general body of the uncovenanted servants have to serve for pension?—The general body serve 30 years.

129. What are the more favoured departments?—With regard to that, I believe there is a carefully prepared schedule showing how all these different departments are worked.

130. Is that in your Case?—No, it is being printed now and it will be handed in.

131. Could you without it say what the more favoured departments are?—I have it here now and can hand it in. More favoured rules are given to civil engineers and telegraph officers with European training. Two officers of agricultural department, Madras; graded officers, Geological Survey; officers of Forest Department trained in Europe under regulations made by the Secretary of State.

132. How long do those favoured classes serve for pension?—I believe for 25 years. The others must serve 30 years without any leave counting for pension.

133. The grievance is that the whole of the service does not count for pension. That I believe applies entirely to the rules by which service prior to the age of 22 does not count?—Precisely; the case that arises there is this: that the men who have entered the service and who are put into effective positions, who are made to

0.135.

Chairman—continued.

do effective duty, that is to say duty independent of supervision or control, who therefore have done effective service, are not allowed to count any of it before the age of 22. The intention of that has been stated by one of the Secretaries of State to have been rather in favour of Europeans as against Asiatics, the intention being to exclude Asiatics from beginning to count too early for pension; but in point of fact the result of it has been (as will be shown by gentlemen who are coming to give evidence here) that some men have lost four or five years of their pension rights and that I believe can be shown to be a case of the application of *ex post facto* new rules.

134. Do you mean to say that you can adduce cases in which a man who entered the service with the whole of his time counting for pension, but who during the course of his service was made subject to a rule by which the earlier part of his service was knocked off?—Yes, Mr. Heyman, I believe, the Secretary of the Uncovenanted Civil Service Association is one of the gentlemen who will give evidence to that effect, and Mr. Clark, and there are others. One gentleman told me the other day that when he entered the service his service counted for pension, but by the operation of subsequent rules they have cut six years off his service.

135. Do you mean to say that in calculating his pension they have actually done it?—Yes, they have done it.

136. Six years?—In one case a man told me that six years had been cut off, but that of course is an extreme case.

137. Can you give the average age at which men join?—I could not speak to that; the men must give their own evidence upon that point. I think men have joined as early as 16. I believe that under the Asiatic rules men only began to count for pension from 16. I believe that is the fact. But then came this rule, that would not allow Europeans or Asiatics to count service for pension before 22 years of age.

138. Is not the case you mentioned just now of a man suffering under *ex post facto* rule, in point of fact, a case in which a man has had a choice of having his pension estimated either according to old rules or according to new rules, and taking the advantages and disadvantages of each together?—That is the contention I know of the Government. Of course I cannot give evidence on behalf of those gentlemen; but I understand that evidence will be brought before the Committee to prove that those gentlemen had those rules applied to them when they were leaving the service, and that they were then told that they had concluded themselves by accepting leave under certain new rules which had intervened; and they say that they were not notified at that time that the acceptance of those leave rules would in any way affect their other rights under the previous rules. However, that is of course a question upon which I could not possibly give evidence.

139. Had not the gentlemen themselves, according to the official version of their story, voluntarily

c 2

8 July 1890.]

Mr. JENKINS.

[Continued.]

Chairman—continued.

voluntarily elected to come under new rules in the course of their service?—I assume that it is so.

140. That is the ground on which the Secretary of State acted; that they had elected themselves in the course of their service to come under new rules?—Precisely; I think that is so.

141. Now the next point is furlough not counting for pension; does furlough count for pension in the case of any of the uncovenanted civil servants?—Yes. On page 61 the Committee will see that the following officers of the European Uncovenanted Service may count a limited period of furlough as pensionable service. (1) Officers of the engineers establishment of the Public Works Department, and of the Telegraph Department, trained in England; most of them having been appointed in England; (2) two officers of the Agricultural Department; (3) graded officers of the Geological Survey; (4) officers of the Forests Department trained in Europe under regulations framed by the Secretary of State, and two officers specially named. The periods of furlough they are allowed to count are: two years' furlough in 20 years' total service; three years' furlough in 25 years' service; four years' furlough in 30 years' service; five years' furlough in 35 years' service. This concession has only been granted within the last seven years. These officers also have the privilege of adding three years to their pensionable service on account of their previous experience in their profession. Then it will be observed that those to whom the privileges are refused by the rules are: officers of the Engineers Establishment and Telegraph Department not trained in England, or who, though educated and partially trained in England, were appointed in India; members of all other branches of the Public Works Department who did not originally belong to the Engineers Establishment, such as the Audit, Locomotive, Traffic and Store Departments of the Railway Establishment; members of the Educational, Financial, Executive, Judicial, and other Civil Departments, who are not members of the covenanted service, or military officers; members of other miscellaneous Departments, such as Customs, Opium, Postal, Police, and others.

142. What is the claim which is made under this head?—I understand that the main claim is that those who have not had the benefit of these favoured rules are in many cases men occupying superior positions in the same office with men who have the favoured rules, and that is simply on the ground that they have been appointed by the Government of India and not by the Secretary of State; in fact that is what they say, as I understand it, that the favoured rules are generally granted to the Secretary of State's men, and a few others selected for certain reasons, and that outside of that line the whole service are placed under the less favourable rules.

143. What is your 6th head of grievance?—The 6th head of grievance is the classification of Europeans with Asiatics, with regard to pension and leave rules. That almost explains itself.

Chairman—continued.

The men say that there ought to be a differentiation, and the rules between Europeans who do not belong to the place, and are not of the climate, and to the natives of the soil, who naturally on the spot can work under conditions which to an European are almost homicidal or suicidal.

144. You do not contend that a European who is engaged in India, and who gains in India a place which an Asiatic might otherwise take, is to be treated differently because he is a European?—I do not contend anything. I am only here to try and state facts; but what I understand is put forward is this: the men point to the absurdity of placing Europeans and Asiatics under the same rules as to leave and pension. They say that obviously the conditions are not the same; and they also point out that if you give 5,000 rupees to an Asiatic, he is practically a rajah, whereas, if you give 5,000 rupees to a European, he is a poor man.

145. We shall have evidence then from some of the gentlemen themselves as to the distinction?—Yes; on this point.

146. Does it not seem obvious to you that the enforcement of such a distinction would put an end to the employment of Europeans altogether in certain branches of the Civil Service, because they would be so much more costly?—I do not see that that comes in, because the fact is, that most of the Europeans whose case is now before the Committee are occupying posts for which natives are not fitted.

147. Is it the fact in all cases?—That is the real point.

148. I understand the distinction in the case of Europeans who are induced to go from England to India to enter the service of the State there, but I do not understand the contention in favour of the distinction between Europeans and Asiatics who are recruited in India, and who are recruited for offices and posts for which both are equally well suited?—I do not wish at all to argue the question. I only want to point out, as a matter of fact, that I believe there are a series of despatches in which the Government of India has very strongly urged, with regard to nearly all the cases in which they appoint Europeans in India, that they are holding posts for which natives are not fitted, and they argue from that fact that they ought to be treated in a different way from the natives with whom they are classed.

149. I see there is another and an additional heading on your case at page 65: "Officers under covenant with the Secretary of State"?—Yes.

150. That almost comes to an allegation that the Secretary of State has abrogated the contract?—Yes, it does; that is what the men allege, as I understand.

151. Do I also understand that no action has ever been brought in a court of law to try this question?—I am not aware whether there has been any action or not.

152. And it is stated that Sir Horace Davey has given an opinion against it; is that so?—

Yes;

8 July 1890.]

Mr. JENKINS.

[Continued.]

Chairman—continued.

Yes; but that was only upon one covenant. That is the covenant in Teale's case, which is, I think, a familiar case at the India Office, and one which I propose to put in. Perhaps it would be convenient if I were to call the attention of the Committee first to the East India Company's form of covenant. The forms of the covenants have been altered from time to time, and are now very different from what they were under the East India Company; but I think it will be found that in construing the covenants of the East India Company the Secretary of State or the advisers of the India Office have always construed them as if they were covenants of the Secretary of State, and of recent origin; but I will read this as a specimen: "Extract from a company's covenant of 1857: That the East India Company will pay a salary or wages at and after the minimum rate of one hundred rupees per month, such salary to be paid monthly in the East Indies, and to commence from the date of his arrival in India. And it is hereby expressly declared and agreed that in case the said A. B. shall be absent from his duties, either upon sick leave or upon his private affairs, then his salary shall be regulated in accordance with the rules for persons appointed to the Public Works Department. And further, that in case the said A. B. shall continue in the service of the said company for the space of 20 years or upwards, either in such capacity as aforesaid, or in any other capacity connected with the department in India, he shall be entitled to the benefit of the pension rules applicable to persons appointed to the Public Works Department in India. And it is agreed that in all payments to be made under these presents the pound sterling shall be considered equal to and calculated after the rate of 10 rupees." I may say that generally the terms of the covenants with the Secretary of State follow this formula, only that there are certain reservations with regard to the application of the rules which have been subsequently introduced. But perhaps I may point out what the court of directors meant when they said, "He shall be entitled to the benefit of the pension rules applicable to persons appointed to the Public Works Department in India." There is a letter of the Financial Department, No. 21, of 1855, "To our Governor General in India in Council. In your letter of 4th September 1854, No. 67, you submit for our consideration the position of the uncovenanted officers and subordinates in the Department of Public Works, who are at present excluded from the benefit of superannuation pensions." Then in Clause 2 they say, "Before the receipt of your despatch, we have resolved to bring within the scope of the pension rules the civil engineers whom we are endeavouring to engage in this country for service in India, agreeably to your recent requisition." Now the contention from that is that it is perfectly obvious that the construction of the words, "to the benefit of the pension rules applicable to persons appointed to the Public Works Department in India" in the company's covenant was meant by the company to relate to the rules which were then in force; because the company distinctly here say that they wish to bring within

O.135.

Chairman—continued.

the scope of the pension rules referred to above "the civil engineers whom we are endeavouring to engage in this country for service in India agreeably to your recent requisition." I think the Committee will follow that argument and see that there is something in it.

153. Is it not a fact that in many cases pensions have been paid in sterling on the ground of the wording of the covenants?—I think so, undoubtedly.

154. But has it not been generally stated, have I not myself stated publicly to Parliament, that wherever the covenant gives the right to a payment in sterling the Secretary of State would always recognise that right and make the payment in sterling?—Yes.

155. I should have spoken of furlough pay having been paid in sterling; there is no instance of a pension having been paid in sterling, except pensions that have been granted in sterling upon special grounds?—Precisely.

156. I mean there is no instance in which the covenant has been so interpreted as to give a right to the payment of a pension in sterling?—The Committee will perfectly understand what is the contention of the men under these covenants; that form which is given there (the company's covenant of 1857), I said had been followed out pretty closely in subsequent covenants. I have one here, for instance, of 1869. The terms of that are that "he shall be entitled to the benefit of the pension rules applicable for the time being to persons appointed to the Public Works Department in India." I understand that there are two contentions under these clauses. The men say that the clause, "in all payments to be made under these presents the pound sterling shall be considered equal to and calculated after the rate of 10 rupees" applies to all payments; it applies first of all to the question of salaries; it applies secondly to furlough pay; and then it applies thirdly they say to pensions. Now I understand that with regard to salary and with regard to furlough pay it is admitted that in fact, allowances are paid in sterling at the rate of 10 rupees to the £. rather, which is more accurate, but that when it comes to the application of the pension rules the answer of the Secretary of State to the covenant is, "Oh, the pension rules say so and so; those rules you have got the benefit of"; but they do not come under the clause that "payments to be made under these presents" shall be made at the rate of 10 rupees to the £. sterling.

157. Sir Horace Davey, whom the uncovenanted servants have consulted, says the Secretary of State is right, does he not?—Sir Horace Davey, on one form of covenant submitted to him (that is in Teale's case) certainly held that that case did not come under the covenant.

158. In other words, Sir Horace Davey held that the payments of pensions were not payments made "under these presents"?—That undoubtedly was so. At the same time it is open to the Committee to look into this question, and to say whether any one reading those clauses would not have come to the conclusion that all

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payments

8 July 1890.]

MR. JENKINS.

[Continued.]

Chairman—continued.

payments under the agreement were to be made at that rate.

Mr. Barbour.

159. Was not the obligation originally an obligation in rupees?—No.

160. You say “no,” but I should like to see a document produced showing the terms of the arrangement?—Of which, the covenants?

161. Any covenant on which the officers base their claim?—Here is one, for instance. Here is a form of covenant.

162. Will you please read it, where “sterling” comes in, or “rupees”?—“And it is agreed that in all payments to be made under these presents the pound sterling shall be considered equal to and calculated after the rate of 10 rupees.”

163. Yes; but what is there there that applies to so much per annum, the salary?—With regard to the salary it says here: “That in case and upon condition that he the said assistant superintendent shall observe, perform, and keep all the clauses and agreements herein contained, and on his part to be observed, performed, and kept, the said Government shall and will retain him in the said service in manner hereinbefore mentioned for the said term of ten years, to be computed from the day of appointment, if he shall so long live, and be able to perform, and shall actually perform such service, and upon the like conditions, and not otherwise, there shall be paid unto the said assistant superintendent, his executors, or administrators, for so long a time as he shall be actually in the said service, a salary at and after the rate of two hundred and forty pounds per annum for the first year of the said term, and increasing by thirty pounds in every succeeding year, until such salary reaches a maximum of five hundred pounds per annum.”

164. Is that a general obligation?—This is one of the assistant superintendents in the Telegraph Department; of course that is a matter on which the India Office witnesses can give evidence. I believe there are covenants in which salaries are stated in rupees.

165. There is no mention of rupees there?—No, the salaries are stated here, as you see, in sterling.

166. You spoke of a moral claim and a legal claim; I should like you to explain the difference?—That is putting me in rather an awkward position. As I understand it the men say—

167. Leave the men on one side altogether?—Then I should not like to undertake to enter upon an ethical discussion. I do not think I need define that.

168. You could not explain it as a suggested explanation, I understand you to say?—Oh, yes, I think clearly that a man may have a legal right which he has no right morally to enforce.

169. I suppose, generally speaking, men who discharge their legal obligations are moral men?—That is not my experience in life.

Mr. Howorth.

170. What proportion of the annuity fund is paid by the uncovenanted civil servant as compared with the covenanted civil servant?—There

Mr. Howorth—continued.

is no annuity fund for the uncovenanted servants.

171. None at all?—No; but there is one argument which is put forward here, or which might have been put forward, and that is this: There is a sort of what one might call an equitable annuity fund, which has been created by the fact that while these men have been putting in their service, their pension being deferred pay, the Government has been receiving that practically, and taking it at 2s. to the rupee, and that it ought to make that good, that it has really made money out of it. Supposing the officers had had that pension paid to them as an annuity, and from year to year had sent it home and had it invested, they would have been very much better off than they are now with their pensions reduced by the fall in the rupee.

172. In fact you suggest that the Government have been receiving in sterling and paying back in rupees?—Yes, that is what they say.

173. Is there any case at all in which when the exchange was in excess of 2s., these uncovenanted civil servants are known to have received that excess or not; that is to say, in the years in which the exchange was in excess of the modern price of silver, calculated at 2s.?—Two shillings and a half-penny and 2s. 1d. sometimes you will see there.

174. Is it on record at all that in any of those years the Government were paying pensions or otherwise at that rate, or was it always calculated at 2s.?—It was calculated at 2s.

175. Always?—Always; and no doubt the object of the rule which was prefixed to the resolution of 1870 (that note which I read out), was to save the Government from having to hand over the rupees when the rupees were worth relatively more than the sterling. I understand you to ask me, not as to the official rate of exchange, but the market rate.

176. Yes?—That is where the point comes in. You want to know whether, when the rupee might have been sold in the market at 2s. 1½d., the Government settled with their officers at 2s.

Chairman.

177. Was it not an explicit condition of the agreement made in 1862, that if the pensions were drawn in London they should be drawn at the official rate of exchange. Was it not the fact, that prior to 1862 they were only payable in India; but that in 1862 the option was given to the officers to draw them in London at the official rate of exchange if they thought fit?—Perfectly so.

178. Is it not a fact also that since that date the official rate of exchange has never been more than 2s.?—Yes, but I was being asked another question. I was simply asked whether it was ever the case (that is what I understood the question to be) that when the market rate of exchange was 2s. 1½d., the Government had discharged its duties or obligations to its servants by paying them at the rate of 2s.; I say there is no doubt that it was so, and that they did.

Mr. Howorth.

179. I do not quite follow you; how do you reconcile the divergent statement in these Tables; 2 and

8 July 1890.]

MR. JENKINS.

[Continued.]

Mr. Howorth—continued.

2 and 3 very nearly agree; Table No. 3 from the “Pioneer” very nearly agree with Table 2, but the Table 1 is extremely divergent; it is absolutely impossible to reconcile it at all?—Do you observe that in Table 1 the highest and lowest rates of exchange are given in the first and second columns, and that then the official rate is stated in the third column; whereas in the other you have only a statement of the official rates of exchange furnished through the India Office; simply a statement of what purports to be the official rates. That ought to be explained of course. The meaning of it no doubt can be made clear by Mr. Waterfield.

180. What is the meaning of the official rate as contrasted with the market rate at the time; it seems to follow no rule here; it does not seem to be the medium between the highest and lowest rates?—No, I cannot explain it.

Viscount Baring.

181. I understand you to say that the question of the value of the rupee did not arise before 1862; is that so?—No, not exactly. That is not what I meant. I say the question of exchange as between the Government of India and its servants did not arise until 1862.

182. Then, as I understand, up to the year 1862 pensions were paid in rupees in India?—Pensions were paid in rupees, at the rate of 10 rupees to the £. sterling.

183. No, I beg your pardon. If you take the year 1858–1859, in the first Table, the value of the rupee is given at 26d., or 2s. 2d.; therefore at that time, I suppose, the uncovenanted servant in receipt of pension had the advantage of the rate of exchange, had he not?—No. It will be noticed that in those days it suited the Government to quote in sterling, and in the Resolution of 1855 the maxima rates are quoted in sterling.

184. Still he received his pension in rupees?—He received his pension in rupees.

185. And had the advantage of the rate of exchange?—I assume that at that time, if the company had or have given any pensions (I cannot tell whether there are any records to that effect), they would have granted the pension in pounds sterling; but the truth is the company had had no time to do it, because the men had not been long enough in the service to earn a pension.

186. When you say the question of the value of the rupee and the payment of pension did not arise until after the year 1862, do you mean that it does not arise because the rupee up to that time was always of the value of 2s., or that it does not arise because up to that time the pension was paid in India?—It does not arise because, first of all, the company up to the year 1858 settled with its servants always on the basis of 2s. to the rupee, and between 1858 and 1862 the Government of India did the same. The case of exchange only arose when under the Despatch of 1862 a clause was inserted, saying that if men drew in England they were to draw at the official rate of exchange.

187. Which was optional?—That was optional, but then the men contend that behind that they were entitled to be paid in India £. 1 sterling 0.135.

Viscount Baring—continued.

for every 10 rupees. That is their contention, of course, and I think it would have been so but for that.

188. As a matter of fact, the question did not arise until 1872, because the rupee maintained its value of 2s.?—That is so, practically. The men did not know what they had signed away, because they did not find that they were losing anything at that time.

Mr. Alfred Pease.

189. In the Appendix we have a reference, under date of the 20th February 1886, to a Despatch from the Bengal Government to the Government of India, “regarding memorials of certain engineers in the service of Government, praying for their pensions being paid at 2s. per rupee”; is any part of that Despatch referred to in the statement of the case?—On what page is that?

190. That is page 72 of Appendix A., at the bottom; 20th February 1886, the Despatch from the Bengal Government?—No, I do not think that is referred to in the case itself. Of course, it is to be presumed that these Despatches will be produced.

191. I am told that they have been handed in this morning?—I believe that is so.

Sir William Powlson.

192. In page 25 of your case you speak of the rate of exchange at which the Uncovenanted Service Pensions might be granted in England as having been determined by the Secretary of State by the rate applicable to family remittances of officers serving in India. It was taken then to be an equitable rate. Are you sure that the rate of family remittances of officers serving in India has followed the declination in the exchange?—I believe that is so.

193. Then if that is an equitable rate, it might be applied with equal equality to the case of the pension, might it not?—I daresay.

194. If it is an equitable rate?—If it is an equitable rate.

195. Then I have not been able to follow you in the question of the retrospective effect given to the rules. The first rules, as I understood you to say were those of 1831, with regard to the Uncovenanted Service?—Yes.

196. And by those rules on medical certificate an uncovenanted servant might have, after a certain term of service, a half-pay pension?—Yes.

197. But it must have been on medical certificate?—On medical certificate; yes.

198. Then in 1854 an alteration was made, on which you rely very considerably?—Yes.

199. That alteration gave a pension not to be claimable as of right, but equal to half the average salary, which, after a period of 35 years’ service, a man might have been drawing without medical certificate?—Yes.

200. What is it you contend for. Do you state, on behalf of the Uncovenanted Service, that at that time, in 1854, every member of the service was entitled to a half-salary pension, calculated on the last five years of his service after 30 years’ service?—The answer to that is, first of all, that in a subsequent Despatch, the Court

8 July 1890.]

MR. JENKINS.

[Continued.]

Sir William Plowden—continued.

of Directors referred to the fact that they were entitled: they used the word "entitled."

201. Entitled to what?—Entitled to the maximum, if they had performed the service; that is to say, if they had put in a good, faithful, and efficient service, the Court of Directors admitted that they were entitled to have the maximum pension.

202. Could you give us the wording of that?—Yes.

203. Is it in the case?—No, I think not. This is dated, Fort William, 19th May 1855: "Read a Despatch from the Honourable the Court of Directors, No. 21 of 1855, dated February 28th. Resolution The Honourable the President in Council is pleased to resolve that, in accordance with the orders conveyed in the Despatch above mentioned, such of the uncovenanted servants employed in the Public Works Department as receive above 10 rupees per month of salary shall be entitled to superannuation pension under the provisions of the pension rules of 4th January 1831, and that in no case, as respects persons hereafter appointed

Sir William Plowden—continued.

to the Uncovenanted Service, shall a larger pension than 400 L or 4,000 rupees per annum be granted to uncovenanted servants receiving salaries of 700 to 1,000 rupees a month, nor a larger pension than 500 L or 5,000 rupees per annum to uncovenanted servants receiving salaries above that amount."

204. If you rely upon that it is quite clear that the Despatch, upon which you rely, puts a limit to the pensions which can be obtained?—Only as regards those afterwards "appointed." That is one of the points put forward by the service; "in no case as respects persons hereafter appointed;" and the contention of the gentlemen, for instance, who put this case before the Secretary of State was that it was applied to them although they were appointed before.

205. Then, in the case of the gentlemen who were appointed before that Despatch, is there an instance, within your knowledge, of a man who has been refused the half-salary pension after 35 years' service on medical certificate?—Undoubtedly; they have all been refused it.

Thursday, 10th July 1890.

MEMBERS PRESENT:

Mr. Barbour.
Mr. Bristowe.
Mr. Buchanan.
Sir John Gorst.

Mr. King.
Mr. MacNeill.
Mr. Alfred Pease.

THE RIGHT HON SIR JOHN E. GORST, IN THE CHAIR.

Mr. G. J. HYNES, called in; and Examined.

Chairman.

206. WILL you tell the Committee, please, what your position is in the Indian service?—I am the Deputy Postmaster General of Burmah.

207. When did you enter the service?—In 1868.

208. And how did you enter the service?—I was appointed in India by the Government of India.

209. After a competitive examination, or without?—Without competitive examination I served six years in the Bank of Bombay before I joined the Government service.

210. Will you tell the Committee what is the point which you wish particularly to bring before them?—There are two or three points; first of all, about the limit of age to 22, specially as regards those who joined before 1862; second, the exclusion of myself and certain other officers in the department from the benefits of the more favourable rules under Section 330 of the Civil Service Regulations (that is, the old Schedule A); thirdly, the payment of pension at 2 s. the rupee, and the length of service of 30 years, no period of leave being allowed to count.

211. Just take your first point. Your first point is, that service for pension does not begin to count until a man is 22 years of age?—Yes.

212. Have you anything to say upon that subject in addition to what is put in the Case, and what was said by Mr. Jenkins at the last meeting of the Committee?—The only thing I can say is, that there are many men in my department who joined before that age, and had rendered service when under 22 in posts which they had held since that age until they were 25 or 26, and the service rendered before 22 was just as effective, and I think should count for service just as much as service subsequent to that age.

213. What is the youngest age at which men join your branch of the service?—There is no minimum limit, 25 years is the fixed maximum limit, unless there are special circumstances to justify employment over that age.

214. That is the superior limit?—Yes, the superior establishment limit.

O.135.

Chairman—continued.

215. Is there any inferior limit?—No; we have even boys employed as telegraph messengers.

216. How young, practically, do you have European or Eurasian boys employed?—Seventeen or 18 years of age frequently.

217. Then is it your contention that a boy of 17, who is employed in the service, should begin to count his time for pension as soon as he is admitted into the service?—As soon as he is admitted, because he does just as good work before 22 as he does after that age.

218. In what capacity do these boys of 17 years of age enter the service?—Chiefly as clerks and some as sub or branch postmasters.

219. I suppose in your branch of the service boys are employed even younger than 17?—Very seldom, except as telegraph messengers, and there are very few of those employed.

220. What are the telegraph messengers, Eurasians or Europeans?—Natives.

221. Exclusively natives?—Exclusively natives.

222. At what age are telegraph boys employed?—There are very few employed, at about 10, 11, and 12 years of age.

223. Could they rise to be postmasters?—Some of them could. Several native postmen have risen to the grade of postmasters.

224. Would you begin to count service for pension from 11 or 12 years of age?—No, you must have some limit, I think.

225. What limit would you put?—About 17 or 18, the same as in the other services.

226. Have you anything more to say on your first point?—No, nothing more on that.

227. Now take your second point?—My second point is, that the more favourable leave rules have been granted to certain officers only, and that others now holding similar appointments have been debarred from the benefit of those favourable rules.

228. Which are the branches of the service to which the more favourable leave rules have been granted?

D

10 July 1890.]

Mr. HYNES.

[Continued.]

Chairman—continued.

granted?—They have been granted only to certain officers.

229. Certain specific officers only?—Certain specific officers.

230. In your branch of the service?—In my branch of the service; you will find the officers named in the Civil Service Regulations, Section 330.

231. On what ground were the more favourable rules granted to these special officers?—In a Despatch of 1868 the Government of India represented that they considered that officers holding those appointments should have the benefit of the more favourable leave rules, because they were European officers; and for years no other than Europeans could be appointed to those posts. Up to this date none but Europeans have been appointed.

232. Are officers now added to that list?—A few have been added since 1876.

233. Is it your contention that all officers holding these particular posts should be allowed to have the benefit of the more favourable leave rules?—Yes, I may add that I have held one of those appointments since 1875, and because I was only officiating in the appointment when the Despatch came out from the Secretary of State in 1876, I was debarred from the more favourable rules.

234. Have you never been admitted?—I have never been admitted. The Government of India has never sent in any of our names.

235. Can you tell the Committee very shortly what is the advantage of the more favourable leave rules?—They give one year's furlough after every four years' service, and furlough pay of 800 *l.* a year; whereas, under the unfavourable leave rules an officer can only get two years furlough in his whole service, and a maximum furlough pay of 600 *l.* a year.

236. You are speaking of the postal service, are you not?—Of the postal department. Another thing I would like to bring forward in connection with this is, that there are 19 of those Schedule A. appointments in my department. Under the terms of the Resolution of the Government of India, and the Secretary of State's Despatch of 1876, out of the 19 officers holding those appointments, there are only three who have the more favourable leave rules. Of those three, one officer is a third grade deputy postmaster general, and another a presidency postmaster. I am a first grade deputy postmaster general. There are also two second grade deputy postmasters general, and one postmaster general who are under the unfavourable rules; whereas, a third grade deputy postmaster general is under the more favourable rules accorded by the Secretary of State's Despatch.

237. Have you anything further to say upon this head before I pass on?—Upon this point.

238. Upon this point?—I do not know whether I made quite clear enough that when the Secretary of State's Despatch of February 1876 came out the terms of the Despatch were that to attain the more favourable rules the officer must be not of purely Asiatic descent, that he must have held substantively, in 1872, one of the Schedule A. appointments, and that he drew on the 10th February 1876, I think it was (the date

Chairman—continued.

of the Despatch), 500 rupees a month. I was holding one of the appointments six months before that Despatch came out to India. I was drawing 20 rupees a month less than the maximum of 500, therefore I was left out; and there are several other officers in my department who are similarly situated.

239. Will you pass on now to your third point?—My third point is, that no portion of leave on medical certificate or furlough is allowed to count as service for pension, although it does in the covenanted and military services, and in a few departments in the uncovenanted service. My contention in reference to that is that we are just as liable to suffer from illness as officers in other departments. Concessions have been made to the Telegraph, the Public Works, and other departments who have to serve in the same country and in the same climate that we have; and it is hard that we should not be allowed to count any portion of leave (especially upon medical certificate) as service for pension. At present I am at home on medical certificate; I had to go up to the Chin Frontier in connection with the Chin expedition; I contracted the malarial fever there, and I have been at home eight months. The whole of that eight months is lost and does not count for service.

240. If you had been in the Public Works, or the Telegraph Department, that would not have been the case, you say?—I should have been allowed to count a certain proportion according to the concessions made a short time ago, two years out of 20 years' service. I have a service of 22 years in the department, and the only time I have ever taken sick leave is on this occasion. I ought to have taken it once or twice before, but could not do it because it would not count as service.

Mr. MacNeill.

241. In some of the services the officers are more exposed to the climate than in others, are they not?—Yes; I have to go to the same places as the officers of the Telegraph Department have to go to.

Chairman.

242. Will you pass now to the question of exchange?—The only thing I can say with reference to that is, that when I joined the department in 1868, and for some years afterwards, all the rules and regulations quoted 5,000 rupees as 500 *l.* sterling; and I was certainly under the impression that when I earned the maximum pension I should get 500 *l.*, and not 350 *l.* or 354 *l.*, or whatever the rate may be. When I retire, I hope my pay will be high enough (it is almost now) to give me as half pay more than 500 *l.* a year, even calculated at the current rate of exchange; therefore, I always looked upon 500 *l.* as the minimum pension I should get. If my half salary came to more, I could not get it, of course.

243. There is a fifth point, is not there?—Yes; that is with regard to the length of service. I think that 30 years is longer than any European can be expected really to serve in India to earn a pension. A great many of us never live to complete 30 years, and die in the country; no portion of that service being allowed to count as service when we are on leave.

244. Yo

10 July 1890.]

Mr. HYNES.

[Continued.]

Chairman—continued.

244. You mean that an officer of your department must be actually 30 years at work in India?—A European officer must, unless he is incapacitated from further service, serve 30 years before he can retire, unless he is 55 years of age before that time expires, then he can retire if he likes, but not otherwise. He must serve the full 30 years, and he must not take a day's leave out of that 30 years, to be entitled to his full pension.

245. What term of service would you consider a reasonable term?—Twenty-five years, with, say, an optional retirement after 20. There are many cases, of course, where private affairs may necessitate an officer retiring before 25 years. The concession has been made to other departments of optional retirement after 20 years with such pension as may have been earned.

246. A graduated pension?—Yes, such pension as he is entitled to.

247. Do you know what departments have the option of retirement?—Yes. I think the Telegraph, the Public Works and the Forests Departments, and some others. I have got them here, I think.

248. I only wanted you to mention them to illustrate to the Committee what they were?—It is very hard that an officer after serving 20 years in a climate like that of India may have to retire through unforeseen circumstances (family affairs or private affairs may compel him to retire), and then not get a pension.

249. Unless he can get a medical certificate that he is unfit for further service?—Unless he can get a medical certificate to say that he is utterly incapable of any more work, which is rather a difficult thing to get.

250. Do you suggest that the system of optional retirement earlier than that, with a graduated pension, should be applied to all European officers?—To all European officers, yes. It is not necessary for native officers, because they are in their own country, and have not to go home.

251. Was that fifth point your last point?—This affects my last point, because that will also reduce the period of service, if necessary. If you have to retire, you can do so; but what I want to impress upon the Committee chiefly is the hardship of being obliged to forego a pension of any kind, if you are compelled, through unforeseen circumstances, to retire before the completion of 25 or 30 years' service, as it is now.

252. Is there anything else you wish to say to the Committee in your examination-in-chief?—No, I think that is all.

Mr. King.

253. If you will allow me, I will ask you one or two questions; you were originally in the Bank of Bombay, you said?—I was, for six years.

254. What induced you to leave the Bank of Bombay?—I was in the old Bank of Bombay, which failed, and I was not taken on by the new Bank. I was agent at one of the branches.

255. Was there an advertisement inserted to
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Mr. King—continued.

invite your service?—No; I was offered an appointment by the then Director General of Post Offices which was sanctioned by the Government of India.

256. You said, as regards furlough pay, one year in four was allowed to count, or not to count, but that you were allowed one year's furlough?—I am not allowed to count even that.

257. I am speaking of those under Schedule A, or those who came in under the special rules?—The more favourable rules.

258. One year in four is allowed for furlough, or four in all?—One year after four or four in all.

259. None of that counts for service for pension?—It does in the cases of the few officers I have mentioned.

260. In the Public Works Department?—Yes, and a few other departments.

261. And it was a purely arbitrary distinction which was made in 1876; I mean this, that the line was drawn, not for any reason except that the Despatch was dated February 1876?—Yes, February 1876 was fixed for that reason; and it was contrary to the recommendation of the Government of India.

262. I was going to ask you what the recommendation of the Government of India upon the point was?—The Government of India recommended that officers holding those, and appointed to those, appointments should have the benefit of the rules.

263. What was the date of that recommendation?—1868, I think. I think it was the Despatch of 11th February 1868 from the Government of India.

264. That was the year you entered the service, was it not?—That was the year I entered the service. I entered in May 1868.

265. Your experience in your department and the experience of those under you is, that it is necessary for Europeans to come home occasionally, is it not?—Yes, it is absolutely necessary.

266. I am only speaking of the Post Office for the moment?—In the Post Office Department (I mean these specified appointments in the Schedule) there is no native in the department fit to hold these appointments as yet.

267. How long will you have to serve in order to get your pension?—I shall have to serve another four-and-a-quarter years, simply because I shall be 55 years of age then, otherwise I should have to serve another eight years.

268. And no furlough is allowed to count?—No; I should really have to serve another 9½ years, because having been on furlough eight months, besides eight months' leave on medical certificate, I have lost that time, and that would make 9½ years.

269. It is not as a reward of any special merit, but simply owing to the fact that before a certain date, February 1876, certain gentlemen were drawing 500 rupees a month and holding certain appointments, that they are treated differently to what you are?—Quite so. As regards the men holding certain appointments in 1872, the rule stated that those who held those appointments in 1872, and were drawing certain pay in 1876, should be so treated.

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270. Do

10 July 1890.]

Mr. HYNES.

[Continued.]

Mr. Buchanan.

270. Do you hold your appointment under any contract?—None whatever.

271. What is the term of the appointment?—I have no contract at all. I have no legal claim, and do not pretend to have any. All I ask for is in equity and justice.

272. Under what conditions were you appointed to the service in 1868?—No conditions, except those laid down in the Civil Service Rules and Regulations, in force at that time.

Mr. King.

273. The conditions of 1876, of course, or of 1872, did not exist in the year 1868?—That is so.

Mr. Buchanan.

274. We will see the Despatch presently; but the Despatch of 1876 conferred certain favourable terms upon certain officers of a certain grade in your department?—Yes.

275. And you had not at that time that position?—I was at that time acting in the appointment, not permanent.

276. At the date of that Despatch you did not draw the requisite salary?—I was 20 rupees a month short of it, because I was officiating. Had I been in the appointment permanent I should have been receiving the salary of the appointment, which was over that amount; but because I was officiating I was drawing the officiating allowance, which came to 20 rupees under that amount.

277. With reference to the other point you suggested, that 25 years would be a better term of service; do you mean to include in that 25 years' service the time of leave; is it 25 years in India?—Twenty-five years' actual service in India.

278. Corresponding to the 30 years at present?—Yes.

279. There is only one other point, that is, about natives in the service. Are there any natives in the higher grades of the Post Office?—There are none holding any of the appointments mentioned in Schedule A. One or two have officiated for a short time; but no man has ever been permanently appointed as yet.

280. Are there any holding offices similar to yours?—No, none.

Mr. Alfred Pease.

281. You have stated that no time before the age of 22 was allowed to count for service; what is the limit of age in the Covenanted Service?—Eighteen, I believe; I am not sure.

Mr. Barbour.

282. If the limit of age of 22, at which service commences to count for pension, were removed, would not that tend to exclude younger persons from the service?—I do not think so.

283. What I mean is this: the Government of

Mr. Barbour—continued.

India in the Civil Service might say, We will not commence with these people until they are 22, or some age like that; would not that be likely to happen?—I do not think so; because there are gentlemen in India who have their sons at home getting their education, and who cannot afford to keep them at school so long, and therefore would bring them out at 18 if their service then would count.

284. That is not what I mean. The Government would say, would they not, if the limit of 22 were removed, A man at the age of 22 would suit our purpose better than one at 18, and therefore not commence to employ men until they were 22; that is to say, that they would simply not take them in so soon?—I do not think it would prevent them being employed or applying for posts under 22.

285. My point is this, that the Government, in their own interest, would not take them on sooner than 22, or some other age a little under that, perhaps; that is, they would not take them on so early in life as they do now?—I do not see why they should not, because they can render just as good service in the lower grades of the department at that age as later, and they get in that way so much more training and practice to make them more efficient officers as they get older.

Mr. King.

286. Might I ask you one question in reference to the question put by Mr. Buchanan?—Your suggestion is that 25 years' actual service should be put in?—Twenty-five years' actual service.

287. But that the man who serves for 30 years should have four years' furlough, or that he should serve 27 years and have two years' furlough to count?—Yes.

288. You think that 25 years should be put in?—Yes, instead of 30.

Mr. MacNeill.

289. Are the terms more unfavourable than in the Covenanted Civil Service; is not the term in the Covenanted Civil Service 20 years actual service?—Yes; those are much more favourable. I do not attempt to ask for all that the covenanted service get.

290. You have had great experience in the service, and you say that through the fact of a man having to serve 30 years, all that 30 years being exclusive of furlough, many men in your department, to your own knowledge, have refused the furlough, and thereby imperilled their health, and possibly even their lives?—Certainly they have; men who would have taken furlough could not afford to do it, because they knew it would not count as service.

291. By which they have imperilled their health and sometimes their lives?—Yes.

10 July 1890.

Mr. C. RIVETT CARNAC, called in; and Examined.

Chairman.

292. WHEN did you join the service of the Government of India?—I joined the service shortly after the age of 19 years.

293. I said "when"?—In May 1872.

294. You were then a little more than 19 years?—Yes.

295. In what department did you join?—In the Financial Department of the Government of India.

296. Were you admitted by competitive examination or by nomination?—First of all, I gained a nomination to compete. There were three nominations for each vacancy. At that time there were two vacancies.

297. You joined in India, did you?—In India.

298. From whom did you get the nomination?—From the Financial Member of the Governor General's Council, Sir Richard Temple.

299. Were you born in India?—I was. I came home at the age of three months or four months; that is to say, I came home to England.

300. Now will you, as the last witness did, tell us first the points upon which you wish to give evidence?—I wish to give evidence upon all the points that are mentioned in the abstract of the Case.

301. All the points mentioned in Mr. Jenkins' Case?—Yes.

302. We will take you then in order, if you please?—May I mention that my evidence will affect most of the officers in my department; that most of us serve under the same disabilities regarding leave and pension? May I first give evidence as to my parentage and education, so that I may be able to prove that we are of the same social position, and that we serve exactly under the same circumstances as gentlemen in the Covenanted Civil Service, and in the Army?

303. Yes, certainly?—I am the son of a Bengal civilian, and the grandson of the late Governor of Bombay. I was educated at Weybridge and Rugby School, and went out to India at the age of 19. I should like, with your permission, to give a short resumé of my duties, so as to show that they are those performed by covenanted civilians in my department. My office is that of Comptroller of Accounts of the Central Provinces. I undertake the general business of finance in the Central Provinces, and am the financial adviser of the Central Provinces Government, which has a separate account, and a separate financial administration. I have perpetual close relations with the Local Government, and am in constant communication with heads of departments and high officers of the Government generally. I also exercise a considerable patronage in respect of the leave and appointment of men in the large office of which I am the head. I have within my jurisdiction a large number of treasuries which submit to me accounts of all Government receipts and expenditure. These accounts are audited by me, and the transactions embodied in the Government books. I prepare the general budget

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Chairman—continued.

annually for the local administration, and draft, for the Government, resolutions upon the several departmental budgets submitted by heads of departments. I also draft the Finance and Revenue portion of the Annual Administration Report. I preaudit, with few exceptions, and issue cheques in discharge of all Government dues payable at the head-quarters of the administration. I can draw personally cheques on the Government for any amount that I consider necessary. I report to the Government upon all applications made to it for leave, pension, and other allowances, and I have under my key, conjointly with a native treasurer on very small pay, currency moneys varying in amount from four to 12 lacs. I am responsible for the financing of all the treasuries within the Central Provinces Administration, and it is part of my duty to act as a check upon the Local Government, that it does not act in contravention of the rules issued by the Government of India. In short, I am the responsible adviser of the Central Provinces Administration in all matters in which finance has the remotest connection. My department, therefore, is part and parcel of the general administration, and is not a mere clerical department. My duties are exactly similar to those performed by covenanted civilians; in fact, my office was formerly held by Mr. James Westland, late Financial Member of the Governor General's Council. I shall eventually rise, by due diligence, to the post of Accountant General, an appointment exactly similar in duties to that which I now hold. If anything an Accountant Generalship is not so comprehensive, as, owing to the absence of a separate Financial Secretary to the local administration, I have to advise the Government perhaps more frequently than an Accountant General has to do. In an appointment as Accountant General I should probably have at certain times covenanted civilians serving under me. There are at the present moment covenanted men in the department holding positions junior to uncovenanted officers. I was at one time for about a year in charge of the Bombay Currency Office, and at the time had silver and Government currency notes to the value of millions of pounds sterling solely under my own key and that of a native treasurer. This shows the responsible nature of my duties, duties not peculiar to myself, but common to all officers of the department.

Mr. King.

304. What pay are you drawing?—My "salary," which includes "pay," according to the Civil Service Regulations, is 1,150 rupees a month.

305. That is what I mean. What would it be as Accountant General?—The pay of an Accountant General of the lowest grade is 2,250; the highest grade, 2,750.

Mr. Barbour.

306. Salary is one thing and pay is another; what

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10 July 1890.]

Mr. CARNAC.

[Continued.]

Mr. Barbour—continued.

what is the distinction?—Pay is the substantive pay of your office; salary includes pay and acting allowances, that is, the allowances which are given to you for officiating in a particular class. My department is divided into classes, 1st, 2nd, 3rd, 4th, 5th, and 6th.

307. Then pay is salary, *plus* some other allowance, is it?—Pay is pay proper; salary is pay, *plus* acting allowance. You draw the money all the same; it is merely a distinction for the purpose of account rules. There is no real distinction for the purposes of the Committee, I think.

Mr. Alfred Pease.

308. Is it a composition payment for expenses?—No, it is salary; it is purely for work rendered.

Mr. Barbour.

309. Has it reference to where the money comes from?—No.

Chairman.

310. It all comes out of the revenues of India, does it not?—It all comes out of the revenues of India.

311. But what you receive is partly called pay and partly called allowance?—Partly called acting allowance.

Mr. King.

312. There is a reason, is not there, for that course being pursued; in some cases prevents a higher pension being given, does it not; if a man's pay is under a certain amount, for instance, he would not have the full pension?—Yes; he might not have the full pension.

313. By giving him an acting allowance he may be kept contented while in India?—Yes.

Mr. Barbour.

314. The effect seems to be this: for the purpose of pension the salary is kept down, or the pay is kept down; is that so?—No.

315. Your 1,150 rupees a month is pay, is it not?—Salary.

316. That is pay and allowances?—That is pay and allowances.

317. Do you have so much for pay and so much for allowances in this 1,150 rupees?—My pay is 1,000, and my acting allowance is 150.

Mr. King.

318. The pension is based upon the pay, is it not?—The pension is based upon the average emoluments. The reason that a man is given the acting allowance is, that he performs more onerous duties than those of his proper appointment. He gets a certain amount in addition to his pay. It does not affect the pension. The regulations are very intricate, I may mention, and difficult to understand, except by an expert.

Chairman.

319. It may be said that you receive pay, and also acting allowances?—Certainly.

320. The pay and acting allowances, taken together, make up your salary?—Certainly.

Chairman—continued.

321. Now will you tell the Committee what you have to say upon each of the points in succession, which are in the Case; the first is that pensions are paid in the rupee currency, which has in a few years depreciated to the extent of 30 per cent.?—My first point is, that at the time I joined the service, in 1872, the official rate of exchange was 1s. 11½d., and that neither the Government nor I ever anticipated the fall which has taken place; that in the pension rules in force when I joined the service the maximum pension was stated in sterling, and as exchange up to that date had been approximately 2s., I understood that the Government would pay pensions in the future at that rate, as in the past. I would also point out that pensions being deferred pay, if the Government pays pensions at the current rate of exchange, it will be paying in a depreciated currency, for service which was performed when the rupee was at its full value, or nearly its full value. A further point is, that I understand that pensions are intended to be sufficient to give a man a modest competency after a long service in an exhausting climate, and they were presumably originally fixed with this view, and on the understanding that the rupee would always be worth about 2s.; pensions, if granted at the current rate of exchange, I submit respectfully, are really not sufficient to keep a man; the pensions of certain other non-domiciled Europeans in India are paid in sterling.

322. Who are those?—The covenanted civilians, ecclesiastical officers, judges, barristers, soldiers, and so on.

323. I thought you meant in your own service?—No.

324. May I ask whether you suggest as a remedy a sterling pension or a minimum rate of exchange?—I prefer to leave that to the Committee to judge after hearing the evidence. I really have not considered it.

325. I ask what you yourself would suggest?—I should prefer a sterling pension, certainly.

326. Is that all you have to say on the subject of exchange?—Yes; I think that is all on that subject.

327. Then what is your next point?—In regard to changing the rules with retrospective effect, as a financial officer who has to administer these pension rules, I do not think it would be feasible to guarantee to every officer the exact rules under which he entered, as addenda and corrigenda are being made to the rules every month or so; the rules are being altered every month or two months, additions being made to the Civil Service Regulations, and it would be practically impossible to guarantee to a man the exact rules (including the addenda and corrigenda) which were in force at a particular date; but my opinion is that an officer should be allowed to choose between two sets of rules when any very material alterations are made. At present the Government reserves to itself the right to alter the rules without allowing a man the option of electing to remain under previous rules.

328. The next point is the length of service for pension?—Yes; I think the length of service required, 30 years, for a superannuation pension

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10 July 1890.]

Mr. CARNAC.

[Continued.]

Chairman—continued.

is too long for a European, especially if he be under the more unfavourable leave rules.

329. Did you hear the evidence the last witness gave on that subject?—I did.

330. Have you anything to add to that?—As an officer of the Financial Department I can say safely that very few non-domiciled Europeans ever live to take their 30 years' superannuation pension. They either die or they are sent home on invalid pension; in fact they do not get out of India until their health is broken down.

331. Do you say that the 30 years is practically so long as to be prohibitory?—Not to be prohibitive, because of course a few do survive; but if a return were called for of those who joined the service and those who took superannuation pension, I feel sure that a very small fraction of those who join ever live to take their superannuation pensions.

332. Your next point is that service before 22 should count. How much service did you render before you were 22; which is not counted for pension?—I have something over 18 years' full service, of which about 4½ years do not count for pension.

333. How is that?—That is nearly three years under the age of 22; eight months' leave on medical certificate, which I was obliged to take after I had been six or seven years in the country, and one year's furlough which I have had, none of which counts as service for pension.

334. Do you suggest any inferior limit at which service should be taken to count for pension?—I certainly think that service, say after the age of 18, or something like that, should count. When a man's service is efficient, I think that that service should count for pension. My first reason is that my service was of practically the same nature before 22 as after, inasmuch as I was placed in charge of a separate department of the office, and was in charge also of the currency office at Allahabad, long before I was of the age of 22. I had charge of many lacs of rupees conjointly with a native treasurer. I was also, before 22, private secretary to Sir Richard Temple for a short period. My service before the age of 22 was exactly similar to the service which I have been performing since. Just now I am at the head of an office. At that time I was under Mr. Waterfield, the Accountant General, but I was in charge of a separate department; and I continued to do similar work for some 12 or 14 years afterwards. My second point is that certain other officers count service before the age of 22. I think that has already been alluded to by other witnesses; those officers are covenanted civilians, military officers, certain civil engineers, and telegraph officers. These count service before 22. Thirdly, that by commencing service earlier than 22 one's health is more likely to suffer, and therefore one is still less likely to be able to complete 30 years' service than if one began, say, at 22.

335. The next point is that furlough should

Chairman—continued.

count for pension; what do you say on that?—I do not think I can say much in addition to what has been already said upon that. Thirty years is far too long for any non-domiciled European to serve in an unhealthy place like India. I have already said that few Europeans live to take their superannuation pensions.

336. Is there any other point that you wish to bring before the Committee?—I wish further to say, in regard to this, that the fact that 30 years' service is too long for non-domiciled Europeans has been already recognised by Government in the case of certain officers. On page 61 of the abstract this is referred to. This fact has already been recognised; and further, on page 63, an extract is given from a Despatch of the Government of India to the Secretary of State, generally stating that it is impolitic to cause an invidious distinction between officers doing perhaps the same duty, and, at any rate, receiving the same salaries, merely because they belong to different classes. In short, I would respectfully submit that I, as an Englishman, am no better able to serve a prohibitive period in a climate like India than any other Englishman who goes to India.

Mr. King.

337. You are engaged, are you not, in the Central Province?—In the Central Provinces.

338. That is a non-regulation province, is it not?—That is a non-regulation province.

339. And the non-regulation provinces are largely officered by uncovenanted servants?—Yes.

340. You, being in a financial position, will perhaps inform the Committee that financial reasons enter into this, instead of using the covenanted agency, I mean?—I presume it is for the cheapness.

341. Exactly; in other words, uncovenanted servants are put to do what was previously covenanted servants' work, and for very proper reasons, for cheapness?—Yes, certainly; in my own department that is the reason.

342. When you entered in 1872, you said the exchange was 1s. 11d., the official rate?—1s. 11½d.

343. And that for a long time past it had been 2s.?—Yes, 2s.

344. Can you tell the Committee how long; was it 30 years?—I can only say by reference to the table already before the Committee.

345. You stated that you would recommend the sterling pension?—Yes.

346. I do not know whether you thoroughly appreciated Sir John Gorst's question; he asked you whether you would prefer the sterling pension or a fixed minimum rate of exchange. Of course a fixed minimum rate of exchange, if it were put high enough, would practically be the same thing?—Yes; that is what I understood Sir John Gorst to mean.

347. Instead of a fixed exchange of 1s. 9d. or 1s. 10d., you would rather have a fixed pension

of

10 July 1890.]

MR. CARNAC.

[Continued.]

Mr. MacNeill—continued.

ment is to supplant the uncovenanted and military agency by civilian, at all events in the Central Provinces.

388. So that sometimes gentlemen are appointed over your head who have not been in the province?—I do not belong to a particular province. Mine is a department of the Government of India. Junior covenanted civilians are frequently put over my head, merely by the fact of their being covenanted civilians, without having any experience of the department.

389. In the finance department of course you are less exposed to the climate than men of the engineers and telegraph departments; you are under cover?—No, I should say not; because owing to our sedentary lives our occupation is not so healthy as that of a man who lives an active life, like an engineer.

390. Is your experience the same as the experience of Mr. Hynes, that men have frequently deferred taking their furlough, inasmuch as their furlough would not be counted?—Frequently. I have done so myself.

391. Thereby endangering their health and their lives?—Certainly; every one has to do that. You calculate every time with great caution as to how it will affect your prospects. The tendency is to save up one's furlough really until one's health breaks down, and then, of course, one has to go.

392. In reference to actual service, you ask for less than the covenanted servants do?—I ask for less than the covenanted servants, certainly; two years less.

393. Two years less than the covenanted servants?—Yes.

394. You think it a strong point, no doubt, that the covenanted servants are paid for 21 years actual service 1,000 *l.* a year sterling?—Yes.

395. While you, no matter how high your post may be, or what salary you may draw, 5,000 *l.* or 6,000 *l.* a year, can only get 500 *l.* a year in the depreciated rupee?—Yes, with the reservation that covenanted civilians contribute towards their pensions.

396. But surely your salary could be counted in the deferred pay too?—Certainly; pension is deferred pay. That was enunciated by the Government of India in the codes.

397. When you joined in 1872, the rupee had a few years before been 2 *s.* 2 *d.*?—I believe it had.

398. And no chance of a decline?—There was no chance whatever. None of us ever anticipated the decline which has occurred.

399. It was considered practically 2 *s.*?—It was considered practically 2 *s.* That had been the official rate for many years.

Mr. Barbour.

400. In establishing your grievances, you seek to make them out mainly by reference to the conditions of the covenanted service on the one

Mr. Barbour—continued.

hand, and to the uncovenanted native servants on the other?—And other officers appointed by the Secretary of State; for instance, in the geological and telegraph departments.

401. It is mainly by reference to the other services. We have had very little evidence from you or those who have gone before that the conditions under which you work are not fairly reasonable in themselves; that is to say, except by reference to the covenanted servants on the one hand, and the native servants on the other, we have had very little evidence to show that the conditions for leave and otherwise, pension, and so on, are not fairly reasonable. I should like, for my own part, to get some evidence to show that these are not sufficient?—Medical evidence would be the best on the point. Our contention is that we have to put in an unreasonable amount of service for pension and for leave. Our contention is based mainly upon grounds of health and expediency. It is in the interests of the Government that we should preserve our health to do our work efficiently. The rules do not give us enough leave to enable us to keep our health.

402. That is quite understood. My point is this, that we have had little evidence so far showing that the health of gentlemen in your service broke down, or anything pointing in that direction?—I think there can be no difficulty in getting that evidence. Any gentleman who has been in India will be able to give his opinion upon that. It can only be a matter of opinion, of course.

Chairman.

403. When you entered the service in Calcutta did you compete against Europeans only, or against Europeans and natives?—Against Europeans only.

404. You spoke of a prospectus under which you entered, did you not?—No, no prospectus.

405. What were the conditions held out to you at the time you joined; was there any prospectus?—Only the published Resolutions of the Government of India on the subject of the reorganisation of the financial department, and, of course, the codes which were in force at the time.

406. Were those Resolutions published officially in the Gazette?—I think they were. I am almost sure they were, in fact.

407. Did those Resolutions speak of the pension in sterling or in rupees?—No mention was made, I believe, of that. We simply relied upon the Civil Pension Code.

408. Then at the time you joined, your expectation of pension I understand was based upon the Civil Pension Code, that is the Code of 1862?—Yes, the code then in force.

Mr. MacNeill.

409. That code spoke of pensions in pounds sterling?—The maxima were stated in sterling.

10 July 1890.

MR. FRANCIS CARNAC BARNES, called in; and Examined.

Chairman.

410. You belong to the same financial department as the last witness, do you not?—I was originally appointed to that department. I am not in it now.

411. What department are you now in?—I hold the appointment of Superintendent of Stamps and Stationery in Calcutta.

412. What age were you when you were originally appointed?—Twenty-one, but I went out at 19.

413. Did you obtain your office by competition?—Yes.

414. In the same way as the last witness?—Except that I competed with natives.

415. You competed with natives?—Yes.

416. How many did you compete with?—There were two appointments and six nominees. I think there were two natives; I am not certain; at any rate there was one; and he passed with me.

417. One native was successful?—Yes.

418. You have been listening to the evidence given by the last witness, have you not?—Yes. May I begin in the same way that Mr. Carnac did with regard to my own personal point?

419. Yes; we should like to know what your present position is?—I am the son of a Bengal civilian. My family have been connected with India for many generations. I went out to India with the prospect of an appointment in the Assam Commission.

420. Perhaps you will tell the Committee where you were educated?—I was educated at Winchester College.

Mr. Bristowe.

421. Winchester School, is it not?—Yes, Winchester School or College. Of course, the Committee may not perhaps understand exactly what the Assam Commission is. The Assam Commission is the Civil Service in the province of Assam, which, being a non-regulation province, is not under the same rules and conditions as the settled provinces.

Mr. Barbour.

422. Who made the promise?—The patronage was in the hands of the Lieutenant Governor of Bengal, and I was led to believe that if I went out I should be given the appointment. That was the reason I went out so young.

Chairman.

423. Who was the Lieutenant Governor at that time?—Sir William Grey. When I arrived in India I found I was debarred from the appointment to this Commission by the recent ruling of the Secretary of State, which decided that no uncovenanted men should be appointed to the Commission. Officers of the staff corps might be appointed.

424. You found you could not get the appointment you expected?—Yes. Then I applied for a nomination for the financial department, and obtained it, and went up. That is how I entered the service of the Government.

Chairman—continued.

425. When did you leave the financial department?—About three years ago; but previous to that I held the appointment of private secretary to the Lieutenant Governor of Bengal for five years.

426. Which Lieutenant Governor?—Sir Rivers Thompson.

427. I do not want you to go through everything which the previous witness has said, but to supplement what he has said by any additional observations you have to make of your own?—In regard to the service under 22, my impression is that the limit was intentionally fixed when the full period of service was reduced from 35 to 30 years. Its alteration was refused in 1865 on the ground that otherwise natives would be able to retire at too early an age, and that Europeans did not generally enter the service before 22. By a later change, service before 22 is allowed to count in the very exceptional cases of men appointed so young from England. I believe that is the case. That being the case, it seems hard to apply a rule against Europeans appointed in India which was originally framed to meet the case of natives only. The fact is that Europeans are often appointed in India below the age of 22. The ground on which the Secretary of State refused to reconsider the question was, that the appointment of Europeans in India before the age of 22 was exceptional.

428. Is there any other point upon which you wish to speak?—I was debarred just in the same way as Mr. Carnac from the benefit of the more favourable leave rules, and as in the case of the first witness.

429. By not having, when the benefit of the more favourable leave rules was given, the qualifying rate of salary?—Yes; I do not think it has been altogether brought out in what ways we suffer from those rules.

430. Will you tell the Committee in what way you suffer?—One way is this: At page 89 of the Civil Service Regulations it says: furlough may be granted as follows: after 10 years' service, one year or less period; after 18 years' service, two years or less period. We can only take one year at a time, or two years. We are not allowed to take it in instalments. After 10 years' service I am entitled to one year; if I take six months then I practically forfeit the other six months, because I must wait eight years for it.

431. Is that stated in the case?—I do not think so.

Mr. King.

432. You mean that you cannot get the other six months at any other time?—No; I mean I must serve eight years more for it.

433. Yet you may not be able to afford to take more than six months at the time?—Yes.

Mr. MacNeill.

434. Surely you do not mean to say that the six months counts as a year against your active work?

10 July 1890.]

Mr. BARNES.

[Continued.]

Mr. MacNeill—continued.

work?—No; it does not count as a year out of my active work; but I have to serve another eight years before I can get further furlough.

Chairman.

435. When you have served another eight years you get not eighteen months, but only a year's leave?—Yes. My contention is, that during that eight years I cannot take the six months' leave although I have earned it.

436. Is there any other point you wish to mention to the Committee?—I think it is a hardship that a European, under native rules, should be made to reside 30 years in India; that because he is classed as a native he is compelled to serve really some years longer than a native, because having a European constitution he cannot dispense with furlough.

Mr. King.

437. You mean that a native has one month's privilege leave in each year?—Yes. The records will show that a native very seldom takes furlough.

438. He takes his month's privilege leave?—His month's privilege leave, or short furlough in India.

439. When you entered the service the rules of 1876 were not in existence?—No.

440. The question of leave rules at the time you entered was under the consideration of the Secretary of State?—Yes.

441. And it was not until February 1876 that you were debarred by a fresh ruling from the more favourable rules?—Quite so; I had reason to believe, in fact it was well known, that the Government of India were endeavouring to obtain more favourable leave rules for us at the time. The men who joined the Financial Department before the competition system of recruitment was introduced obtained those rules.

Mr. Alfred Pease.

442. I should like to know if you have any example of the operation retrospectively of the rules that you can give, any specific case where a change in the rules has acted unfavourably?—I believe there are cases; I cannot quote them.

Mr. MacNeill.

443. Is it a fact that the appointments in India of young men before the age of 22 are exceptional?—No.

444. In the uncovenanted service before the age of 22, is it so?—No, I do not think they are exceptional.

445. Is not this quite natural; that the appointments are generally made of the sons of civilians, and that their fathers generally bring

Mr. GEORGE MARSTON DRURY, called in; and Examined.

Chairman.

457. Will you tell the Committee when you entered the service of the Government of India?—I entered the service on the 28th of January 1878.

458. How did you get your appointment?—I was appointed by Sir Ashley Eden, Lieutenant Governor of Bengal.

459. By nomination?—By nomination.

Mr. MacNeill—continued.

them out at 18 or 19 to get these appointments?—Very often.

446. In your department then a gentleman who has the accident of being appointed in India must serve three years more than the gentleman who is appointed in England by the Secretary of State?—Yes; I believe if an officer is appointed before 22 by the Secretary of State his service is allowed to count.

447. Would not you say it was more the rule to appoint boys fresh from school at 18 or 19, they going out to India at once. If they are the sons of civilians belonging to old Indian families, the rule is to appoint them at once as early as they can be appointed, is it not?—Yes; it is the object of the Government of India to obtain their services. In regard to the Financial Department it was, I think, stated in a Resolution that the Government wished to obtain as candidates the sons of Indian officers.

448. Therefore that memorandum was made under a misapprehension, was it not?—Yes, I think so.

Chairman.

449. You say that at the time you were a successful candidate for an appointment, a native also succeeded?—Yes.

450. What has become of that native?—He is now in the financial department.

451. What position does he hold in the financial department?—I think he is a deputy accountant general. I believe that under the regulation of the constitution of the financial department it is necessary that a certain proportion should be natives.

452. In your particular department are natives employed?—My appointment is not a department; it is a special appointment.

453. It is an exceptional appointment?—Yes.

454. What is it?—It is Superintendent of Stamps and Stationery.

455. Is that an office which must be held by a European?—Yes; it has generally been held by a covenanted civilian. In Bombay and Madras the office is not quite so large, therefore it is amalgamated with other appointments, and the whole office is under the charge of a civilian.

Mr. MacNeill.

456. Would not you practically class it with a department. It would bring you closely into connection with finance ministers and officials, would it not?—Not exactly. I am the head of a large and important office which may in a sense be considered a department; but it is not a graded department like the Financial, Forest, Political, and others.

Chairman—continued.

460. Without any competitive examination?—In my particular appointment there could have been no examination, because there was no one in Government service competent to examine me.

461. What was your first appointment?—Traffic superintendent upon a new line of railway, 196 miles in length.

462. What age were you when you were so appointed?—

10 July 1890.]

Mr. DRURY.

[Continued.]

Chairman—continued.

appointed?—I was born in 1842, and it was in 1878 that I was appointed.

463. That would make you 36 years of age at that time, would it not?—Yes, 36 years.

464. Were you resident in India at the time of your appointment?—Yes; I had been in the service of the East India Railway for 13 years, and I was induced to leave the service of that railway to join the Government.

465. Up to that time you had been in the service of the East India Railway Company?—Yes, up to that time.

466. Did you join under any covenant or agreement?—No; no covenant. I had previously been offered an appointment by the consulting engineer, Colonel Taylor, which I had declined, and I was told of this appointment by Colonel Taylor. I was told that the appointment was going, and that I might apply for it. I applied for it and obtained it.

467. What are your duties now?—Traffic superintendent.

468. At the present moment are you still in the service?—At the present moment, Since I have been home on sick leave, under a new cadre, I have been graded as a district traffic superintendent, although my pay has not been reduced. I have been brought under a grade, at a reduced rate of 950 rupees; but I am drawing 1,000 a month. To make that up, they have given me a personal allowance of 50 rupees a month; I have held independent charge of the Northern Bengal, Tirhoot, and Eastern Bengal system of State railways.

469. You are now at home on sick leave?—At the present moment I am on special leave. I was home on sick leave, and the Government of India wrote and said that my services were surplus, and that I might be offered special leave. I was therefore compelled under a threat of my services being dispensed with, to take the year's special leave, although I had been home on half pay, with the exchange at 1 s. 4½ d., for a year and six months on sick leave.

470. Will you now tell the Committee what you have to add to the evidence which they have heard this morning upon the various points in the printed case?—My evidence, of course, refers to the branch to which I belong, the traffic branch. The particular grievances of the men that I represent are, first, that they were induced to leave the different guaranteed lines of railway, where all their furlough allowances were paid at the rate of 1 s. 10 d. They were induced to leave the service of these railways, having already earned leave, or at least some of them had. In my particular case I had earned furlough, which, by leaving the East Indian Railway to join the Government, I lost. After joining the Government service, I found it was necessary for me to put in another ten years before I could earn leave out of the country, having earned leave on the East India Railway not a day of which was allowed to count.

471. Do you mean that any representations which were made to you, and men like you, on joining, were not fulfilled?—No; I cannot say they were not fulfilled; but we joined under the code, and I was under the impression when I joined that I came under what we call the Civil leave and 0.135.

Chairman—continued.

Pension Code and not Supplement F. That is, I thought I came under the European rules. I was led to that conclusion by the fact that the appointment that I was to fill was one of those appointments that required the sanction of the Secretary of State, and I was under the impression that my appointment, requiring the sanction of the Secretary of State, brought me under the same rules as those who were appointed by the Secretary of State; and I may mention that Mr. Rendell, who left the service of the East India Railway Company with me to take up the duties of the locomotive department, in accepting his appointment, wrote to the Government of Bengal, and said that he accepted his appointment on the condition that he should be classed as if appointed by the Secretary of State. He never received any reply to that letter, but he was gazetted. After being gazetted, he was told that he came under Supplement F.

472. Will you follow the same order that the other witnesses have done, and first tell us anything you have to say, in addition to what has been already said, on the subject of exchange and the loss that you incur through exchange?—Yes. In my particular case, and the case of those officers who left the guaranteed lines, the hardship is rather accentuated, because we left a service where all home payments are made at a fixed rate of exchange of 1 s. 10 d.

473. Was that the rate of exchange at the time you left?—That is a fixed rate of exchange on the East India Railway in the case of all home payments to their servants. That is their rate now.

474. Do they make that payment still?—Yes. I will not be certain whether since the line has been taken over by Government, it is so, but up to the time the Government took over the East India Railway, that was the rate at which they paid their servants, and I think it is so now.

475. Is that all you have to say on the subject of exchange?—No.

476. I assume you to repeat everything that has been said by the previous witnesses?—Yes.

477. Have you anything to say in addition to what has been said already?—There is one other point. To show how necessary it is that some rate of exchange should be fixed between the Government and its servants I should mention I am now in receipt of my pay at the rate of 1 s. 5 d., the public rate being nearly 1 s. 6½ d., so that the Government are actually making a profit out of me.

478. The Government official rate is 1 s. 5 d., is it not?—The Government official rate is 1 s. 5 d., the public rate is nearly 1 s. 6½ d., so that they are actually making a profit out of my being at home, that is to say they are paying me at a less rate than the market value of my pay. I mention that as showing how necessary it is not to pay servants in a fluctuating currency.

479. That is your furlough pay that they are paying at that rate?—Yes, my furlough pay.

480. The Government would always pay at this fixed official rate whether the market rate was above or below it, would they not? During the present year they would pay your furlough pay at 1 s. 5 d. if the rupee had gone down to 1 s. 3 d.?—Certainly they would; but it is rather

10 July 1890.]

Mr. DRURY.

[Continued.]

Chairman—continued.

rather a coincidence that they always seem to fix on the minimum.

Mr. Barbour.

481. Could you not receive your furlough pay, if you thought fit, in India, and have it remitted to you privately by a bank, or an agent?—I am not sure whether that could be done. I presume it could. If a man goes away on leave, knowing that he is going to receive his pay in England, he makes no arrangement of that kind.

Chairman.

482. Have you anything to say upon the second point; that is the alteration of the rules with *ex-post facto* effect, so as to prejudice rights which have already accrued?—No, I have nothing to say on that point except this: the case has not occurred to me, but I know there are cases which I suppose other witnesses will bring before the Committee. It seems that those three paragraphs (Articles 5, 6, and 7) that appear in the code are held over the heads of the service, creating a feeling of uncertainty amongst the servants in the uncovenanted service, and they do not know their position. I believe Sir John Gorst at the first examination repudiated the idea of the Secretary of State ever altering the rules in such a way as to injure a person after his having been in the service and earned a right, we will say, to a pension; that is to say, he would not alter a rule so as to reduce his pension, he having worked a certain number of years and earned a right as it were to a pension; but these three paragraphs in the code certainly give the power for that to be done.

483. What I said the other day was that I repudiated on behalf of the Secretary of State any intention or any design so to use the code as to divest a man of rights which had accrued to him. The answer you make to that is, True, but the language of the code would allow it?—The language of the code would allow it, and these three paragraphs in the code are a source of great anxiety and dread.

484. You go further, and say that the language of the code causes apprehension?—Yes, that is it.

485. Have you anything to say upon the length of service which ought to entitle you to pension?—Yes, I have something to say on that point. I think the members of the Committee will admit that railway service is a service that is very trying to a man's health, even in England. That is much more the case in India. On an English railway the traffic manager, or, as he is called in India, traffic superintendent, has a trained staff of Europeans upon which he can depend; at any rate he can depend upon their exercising a discretion, and it relieves him to a very great extent of so much of the responsibility. All that is thrown upon the traffic superintendent in India. In India the staff is almost entirely composed of natives; they are men that very little reliance can be placed upon; they are men who can only act up to rule. You cannot place any dependence upon them in the way of exercising discretion. You have to work there, say a very long length of railway on a single line of rail, which increases

Chairman—continued.

the risk of the work and the anxiety of working tremendously, and all that falls in India on the traffic superintendent. I personally, as the traffic superintendent, am receiving telegrams all night, and I can say that no criminal can feel on his release greater relief than a traffic superintendent does when he gets on board ship, and knows he cannot receive a telegram.

Mr. Barbour.

486. Do you receive telegrams all through the night?—Yes, all through the night.

487. Are they brought to you personally?—Brought to me personally.

488. During the 24 hours?—Only certain messages that do not require immediate attention are kept and put on my office table in the morning. All telegrams requiring orders to be given are received by me all night long.

489. Do you mean to say that you have no deputy who can act while you are sleeping?—It is the rule that all telegrams of a certain kind should go to the traffic superintendent; and in the case of an accident or anything of that sort, the traffic superintendent is supposed to issue his orders.

490. One night with another these telegrams are always coming in?—Always coming in.

Mr. Bristow.

491. What is about the average number of telegrams you might get between 12 at night and 6 in the morning?—Some nights I might not receive a single message, other nights I receive several; and on some occasions I have been simply up all night receiving messages.

492. That would be a special time?—That would be a special time.

493. In the ordinary course, what would be about the number?—In the ordinary course, I should say I might receive a couple of messages a night; that is in the ordinary way. But as I say, on special occasions, such as in the case of an accident, where orders have to be issued for clearing the line and passing the traffic, I should have to be up all night.

Chairman.

494. You say that your work is exhausting and anxious, and that you require further furlough?—Most exhausting and anxious; and to show the honourable members of the Committee that it is so, I may mention that the Government of India have sanctioned for the subordinate grades a more liberal scale of leave than they have sanctioned for any other branch of the service.

495. You mean the subordinate grades of the railway branch?—The subordinate grades of the railway branch.

496. Does not that reach up to the higher grades?—No; it is with reference to sick leave; and not only that, but the leave rules of the East India Railway, which were always fairly liberal, have been made (or were made some years ago) still more liberal. The leave rules of the East India Railway (the services I left to join the Government service) are that you get one year in seven years' service, and after seven

10 July 1890.]

Mr. DRURY.

[Continued.]

Chairman—continued.

years' service, you are allowed the opportunity of taking one hot season out of the country every three years; that is six months every three years. Those are the leave rules I left to join the Government.

497. May I take it that the leave rules of the East India Railway Company were more favourable than the leave rules of the Government?—Much more favourable than in the uncovenanted branch of the service.

498. Does that apply to all the railway companies in India generally?—I believe the same rules did apply on the Scinde, Punjab, and Delhi, and do on the great India Peninsular Railway?—I think so.

499. What have you got to say, in addition to what has been said already, with reference to service before 22 years of age counting for pension?—That does not affect me; I think the appointments of Europeans before the age of 22 are exceptional appointments.

500. I suppose in your particular department it is very seldom a man would be appointed before 22?—We should have the subordinates appointed before 22; native station-masters and assistants.

501. Native station-masters and assistants, but no Europeans?—No, no European.

502. No European would be generally appointed before 22?—We might put poor Europeans on as guards before the age of 22.

503. I suppose I am right in thinking that the subordinate departments are almost exclusively held by natives?—Not always. It is considered necessary the mail train should be worked by European guards and by European drivers. The Government are bringing in natives in every possible way they can. We use native guards for most of the goods trains, and we run the mixed trains with one European and one native guard.

504. Upon the point that furlough does not count towards your pension, what have you to say. Is not that really a branch of the question of the length of service which should count for pension?—I think it is. In my particular case it seems very hard, having put in my service on the East India Railway (13 years) and earned my furlough there, that when I joined the Government, no portion of my service on the railway was allowed to count with the Government for leave. I came in entirely as an outsider, and had to earn leave by a service of 10 years. Of course I could not put that forward as a grievance. I knew what I was doing when I entered the service, and put up with the consequence when I found I came under Supplement F.; but subsequently the Government on taking over the Scinde, Punjab, and Delhi, and other railways, allowed the servants to count their service as service towards leave. In my case I was taken over by the Government as it were from the East India Railway. It was not a case of my being out of an appointment, and glad to accept the first thing that came. I was in a very good appointment on the East India Railway, and I undertook the responsible duties of opening a new line of 196 miles at an increase of pay of less than 100 rupees a month. I was getting 400 0.135.

Chairman—continued.

on the East India Railway. My provident fund brought me in about 60 rupees a month, and I joined the Government service on 500 a month to open the Northern Bengal State Railway.

505. Will you be entitled to retire on your pension, at the age of 55?—Yes, at the age of 55; having joined the Government as a new hand, as I say, I could not complain, inasmuch as I had done so without making due inquiry, and had accepted the appointment; but where the hardship comes in is that the men who were taken over in a body, and who, so to speak, had all to gain and nothing to lose by joining the Government service (that is to say, if they had not joined they would have been out of an appointment), were all allowed to count their service as service towards leave. In my case it was refused. I was made to work 10 years, and in doing so broke down in health, and was sent home with abscess of the liver. I quote this as a reason why the action taken is a special hardship to me; one set of men, who were taken over in a body, were allowed to count their service with the railway toward leave, while I was not.

Mr. King.

506. Your case is not exceptional, is it; Mr. Rendell was taken over, was he not?—It is not exceptional. I have a list of the traffic officers taken over from the different lines besides myself; I only have the list of traffic officers that were taken over, not the locomotive officers. There are nine at present in the service. These were all taken over from guaranteed lines, and are exactly in the same position as myself.

Chairman.

507. In your department are Asiatics and Europeans on exactly the same leave and pension rules?—Yes, exactly the same pension rules.

508. Do you consider a distinction can or ought to be made between them?—Most certainly; I think a distinction can and ought to be drawn. I do not think a European's constitution would enable him to do the particular sort of work that a man in the railway service is called upon to do on the same leave as a native.

509. Is your appointment one which could be held by a native?—I do not think a native could possibly fill it.

510. Are there any instances in India of native traffic superintendents?—There is one instance on record of a native being appointed to a line that had been opened, I must impress upon the Committee that my particular work was the opening of a new line of 196 miles. When once a line is set going, when the ball is kicked and set rolling, a native for a time might carry on the work. I would not undertake to say it could not be done, because a native on one occasion did hold charge of a line; but it was found by Sir Ashley Eden, on inquiry, that the work was not being satisfactorily done, I believe, and the native I speak of has since, I think, been retired on pension.

511. Then, so far as you know, all the traffic superintendents in India are Europeans?—Absolutely all the traffic superintendents in India now are Europeans.

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512. When

10 July 1890.]

Mr. DRURY.

[Continued.]

Mr. King.

512. When you retire at the age of 55, what pension will you be entitled to?—Having joined the Government service at the age of 36 years and six months, I shall at the age of 55 have put in 19½ years' service. Out of this period, three years and two months' sick leave, which I have been compelled to take (some portion on half pay, some on quarter pay, and some without pay) owing to a serious illness brought on in the discharge of my duties, will be deducted, making my pensionable service 16 years and four months. I should therefore, I believe, receive ⅔ of my average pay (1,000 rupees a month) for the last five years of my service, or 3,200 rupees a year, which, at the present official rate of exchange, would give me 226 l. 13 s. 4 d. per annum. This amount however, being the maximum, would I understand be subject, at the discretion of the Government, to further reduction, as maxima pensions are only paid for extraordinary service, *vide* Sir Charles Wood's Despatch, No. 205, of 8th December 1862. I am therefore in doubt as to whether I should receive even this small recompense for my 32½ years' service, 13 years of which was spent on the East Indian Railway, a Government guaranteed line, and therefore a semi-Government service, and 19½ years direct under the Government of India.

513. In the East Indian Railway Service there were no pensions, were there?—No; but there is an equivalent, a provident fund, which is far better than the Government pension to which I am entitled.

514. Did you forfeit that?—I forfeited all interest in that when I joined the Government of India.

515. And of course the pension, whatever it was, was a matter of consequence to you when you entered; it was one of the inducements?—It was one of the inducements.

516. You say the provident fund that you forfeited in the East Indian Railway was better than the Government pension?—It was in those days. I believe it has since been altered. It was found that some members were making too much out of it, in fact that it was too liberal.

Mr. Barbour.

517. Where does the provident fund come from, is it from the wages or what?—It is a mixture of both. The *employés* pay a certain percentage out of their salary, and the company give a certain donation when the profits are over a certain percentage.

Mr. King.

518. And *pari passu*, I think I am correct in saying that the salaries of the railway companies servants are higher than the salaries of the Government *employés*?—Most certainly. For doing what I did at 500 a month, had it been for a railway company I should have been drawing, say, 1,000 a month. I was in a subordinate position on the East Indian Railway on 400 rupees a month.

519. What I mean to bring out is this, that although they partially contributed toward that fund, it is the same thing whether a man contributes from his pay, or has less pay, and the Government subsequently give it to him as pension?—Yes, certainly that is so.

Mr. King—continued.

520. Did you mean just now that your pension is dependent upon the profits made by the railway?—My provident fund was dependent upon the profits.

521. Did not you mean that the contribution which the railway company made to the provident fund was contingent upon the profits?—Yes, certainly. The principle of the fund was to induce economy in working.

Mr. Buchanan.

522. You left the service of the East Indian Railway, and joined the Government service because you expected to get, and did get, a better salary; did you not?—Yes, that was my reason, not so much the salary at the time I joined, but the prospect of quicker promotion.

523. And the prospect of getting a pension too?—Yes.

524. You spoke about the officials of the Scinde, Punjab, and Delhi, and other lines being taken over by the Government, and that when they were taken over by the Government the servants got the benefit of the furlough that they had earned; that was subsequent to your time, was it?—That was subsequent to the time I was engaged.

525. That was when the whole railway was taken over by the Government?—That was when the whole railway was taken over by the Government.

526. As I understand, you as a private individual left the service of the East Indian Railway to take service with the Government?—Yes.

Mr. Bristowe.

527. I should like to ask whether, in consequence of the fall in the rupee, and the way it affects pensions and pay generally, there is any considerable falling-off of candidates for the Indian Service in the railways or other Civil Service departments?—I can only give you my opinion. I think that in time it will have the effect of lowering the status of the Railway Service.

528. But, up to now, you are not aware of any falling-off in the number of candidates in the service of India and the Civil Service, are you?—No.

Mr. Buchanan.

529. One question I want to ask you on another subject; as I understand, in the case of the East Indian Railway Company, the furlough pay was fixed at the rate of 1s. 10d. the rupee?—Yes.

530. Does that apply to the other case of the guaranteed railways?—I believe it is the case with all the principal guaranteed lines in India; the Great Indian Peninsular and the East Indian Railway, which are the two main guaranteed railways now.

Mr. Bristowe.

531. It was part of the agreement made at the time of entering the Service, was it not?—It applied to men appointed in India as well as to men sent out by the board of directors in London.

532. It is part of the agreement?—Yes; but it is the same throughout the Service.

533. So

10 July 1890.]

Mr. DRURY.

[Continued.]

Mr. MacNeill.

533. So far as the higher and more responsible officers on railways are concerned, I understand you to say the natives are rather incompetent yet to fill them?—I do not think natives will ever be able to fill those appointments.

534. They have not the necessary skill and self-control, you think?—There is something about a native which in my opinion totally unfits him for such duties. I think this will be admitted by the Government of India.

535. At present, at all events, your department must be considered a European department?—It must be, and I think for all time it will be absolutely necessary. There are reasons given, I believe, by the Government of India why it is extremely necessary. I cannot put this in as evidence, but I believe it is considered by the Government of India imperative that the lines of railway shall be officered by Europeans for military reasons.

Mr. Barbour.

536. I think you said you joined the Government service in 1878?—Yes, in January 1878.

537. At that time the rupee had been on the move downward?—It had.

538. Then your grievance in the matter of this exchange would not be so strong as that of those who joined perhaps eight or 10 years before?—Perhaps not. I may explain that I am a man without a covenant, and I joined on the implied covenant in the Code; and all reference in the Codes to Furlough pay was in sterling.

539. Sterling and rupees, so far as we have seen?—It was shown in the Code that 10 rupees were equivalent to the pound sterling.

540. We were shown a contract last time, in which, of course, reference was made to the salary, and reference also was made to the rupee,

Mr. GEORGE O'DONNELL, called in; and Examined.

Chairman.

546. WHEN did you enter the service of the Government of India, or rather, the Company's service?—On the 18th April 1849.

547. How did you get your appointment?—Perhaps it would facilitate the case if I state at once that I went to India as a private soldier in the Company's service.

548. In the East India Company's service?—In the East India Company's service. I went to Roorki College; I passed an engineering course of training there, and passed out with high honours into the public works, and whilst in the public works, and a soldier, I served for about four or five years. I was then selected by Dr. O'Shaughnessy, who was the head of the Telegraph Department, to assist him in the first starting of the organisation of the telegraphs in India. I was then appointed to a fairly important office in the Telegraph Department, and when there I was called upon by the Indian Government to purchase my discharge from the Army, as I was in a position that a non-commissioned

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Mr. Barbour—continued.

but nothing whatever was said to bind the Government to any particular rate of exchange?—We admit we have no legal claim.

541. Of course, by 1878, it had become apparent then that the rupee was not always two shillings, and it might even go further down?—Yes, but the East Indian Railway was still paying its servants at 1 s. 10 d.

Mr. King.

542. There are immense opportunities for exercising economy where zeal is cultivated and practised, and encouraged, is not there, on railways; I mean the difference between a contented and a discontented service may make a very great difference?—Certainly; and not only that, but the expenditure is beyond the control of the financial department. I think it is the only department where the expenditure cannot be controlled. For instance, the settling of all claims is in the hands of the traffic superintendent.

543. This is all I want; you said the East Indian Railway Company, in order to encourage efficiency and economy, made their contribution to the pension fund dependent upon the results of the working?—Yes, certainly.

544. A similar practice must have that effect in the case of the Government railways, must it not?—Most certainly.

Mr. MacNeill.

545. I suppose, with the sole exception of irrigation works, nothing is so conducive to the prosperity of the Indian people as a line of railway?—Nothing has ever been done for India that has so tended to civilise and improve it as railways, nothing. No sooner does a line of railway run through a district than the whole character of the people and country is changed.

Chairman—continued.

officer was not entitled to hold, and the question was placed before the Commander-in-Chief whether I should not have a commission in the army. However I elected to go into the Civil Service. In consequence of that it became a question of pension. I was then under the old rules (so many years ago this was) of 1831, and they satisfied me at the time.

549. When you went to the Roorki College was that a voluntary act on your part?—It was a voluntary act.

550. Did you pay your own expenses there?—No, being a soldier, Government paid for me.

551. They were at that time encouraging soldiers to go to Roorki College?—At that time. I may say I only owe to Roorki my technical training; I may call it my professional training; my education was English.

552. I may take it that it was in 1849 that you had completed your technical training at Roorki College, and entered the Civil Service of the Government?—Yes.

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553. Having

10 July 1890.]

Mr. O'DONNELL.

[Continued.]

Chairman—continued.

553. Having previously been a military servant of the East India Company?—That is so.

554. The appointment was given you as the result of the examinations you underwent at Roorki College?—Partly that, and also on the decision of Sir William O'Shaughnessy (then Dr. O'Shaughnessy), as to my scientific capabilities, knowledge of electricity, and other technical subjects.

555. Were the students at Roorki College at that time exclusively Europeans?—They were exclusively Europeans at that time.

556. I do not want to ask you to go through all the statements which have been made to-day by previous witnesses, but I will invite you to add anything you wish upon the various points in the printed case. First, with regard to the loss by exchange, have you anything to add to what has already been said upon that subject?—If I may be permitted I would wish particularly to traverse the statements which have been made rather largely that Europeans appointed in India are on a par in any way with natives, and are not entitled to the same position as Europeans appointed by the Secretary of State to the Civil Service in India.

557. That is rather the last point than the first; however, take it in your own order?—I do not take it up with reference to the case that is before you, but in consequence of what I heard stated by yourself in that chair at the last meeting of the Select Committee. Upon that I concluded it would be well to show that officers appointed in India are not on a par necessarily, by a very long way, with natives. I am afraid in illustrating this it will be necessary to be a little egotistical; but if you will pardon me I will just run through a rapid statement of my services which, I think will satisfy you when you have heard it, are services that no native, Hindoo, or Mahomedan would have been competent at that time to render to the Government of India. I joined the Telegraph Department on the 22nd September 1854, my services having been applied for by Dr. O'Shaughnessy, the Superintendent, as the head of the Department was then designated. In 1855, Dr. O'Shaughnessy conveyed to me the thanks of the Government of India for my promptness and energy in completing the telegraph to Peshawur, at the close of Lord Dalhousie's administration. I may inform you, Sir, that Lord Dalhousie delayed his return to England from his administration of India in order that he might be able to add the last clause to his Report, that he had extended the last result of civilisation to the end of the British Empire, namely, the opening of the telegraph to Peshawur. General Sir James Outram brought my services and those of my subordinates to the favourable notice of the Governor General for the way in which the field line was erected, and maintained with the Army of Occupation in Oudh in 1855; and in recognition thereof, I was thanked in the Government Gazette, and an extra month's pay was sanctioned to my party. I was appointed Deputy Superintendent in Bengal, the second highest position in the Department as then constituted; and on the

Chairman—continued.

departure of Dr. O'Shaughnessy for England in 1856, he officially represented my services to the Government in the highest possible terms: Colonel Patrick Stewart, the subsequent officiating chief of the Department, repeatedly brought my services to notice during the mutinies, and whilst he was engaged in the Fort at Benares (where I may casually remark he was shut up), I held charge of the Department myself, and, under instructions from Lord Canning, conducted a successful expedition from Calcutta up the Grand Trunk Road, through the midst of the disaffected districts, past moving bodies of troops in open mutiny, and repaired the lines and reopened the telegraph offices between Raneegunj and the North-West Provinces. Consequent on my arrangements, postal and telegraphic communication above Raneegunj, which had been cut off for eight days, was restored, and Sir Cecil Beadon telegraphed to me the cordial thanks of Lord Canning for what I had accomplished. Subsequently my services were brought to the notice of Lord Stanley, then Secretary of State for India, and acknowledged with approval, in his Despatch, No. 3, dated 30th November 1858. After the suppression of the mutinies (during which I may mention that I was under fire many times), I served for over nine years in British Burma, and was equally successful in conducting the work of the Telegraph Department to the satisfaction of the Government and of my own chief. Of this fact I am prepared to offer proofs. On the 14th December 1866, on a reorganisation of the Department, I was appointed a first grade superintendent on 1,200 rupees a month, rising by annual increments of 50 rupees a month, to 1,500 rupees. My service ended on the 31st August 1877 when I attained the age of 55 years. This is scarcely the record of a service that can be classed with that of any Asiatic; or that is not entitled to the privileges of the most favoured of any class of the Uncovenanted Civil Service of India, no matter by whom appointed. That is my evidence with reference to the first point which I have asked to be allowed to take up, that is, the fact that Europeans appointed in India are not necessarily, or indeed in a good many instances, merely holding appointments which might have been held by Asiatics. I contend that no Asiatic would have gone through a service like that. Before I take up the other point, perhaps you may like to ask me any questions upon it.

558. No, I do not think I have any question to ask upon that?—Then as to my title to be dealt with for the matter of pension, I am now on pension of course and have nothing to do with leave or other rules of that kind; but as to my title to be dealt with on matters of pension under the rules of 1831, I am one of those who signed a memorial to Lord Cross, dated the 31st October 1888. To this memorial an answer was written from the India Office which bears your signature, Sir.

559. That is the memorial and answer which was put in on Tuesday by Mr. Jenkins?—Yes, I will not say more about it than that, if you will allow me to comment upon what was then said.

560. Certainly?

10 July 1890.]

Mr. O'DONNELL.

[Continued.]

Chairman—continued.

560. Certainly?—I can say that I was never asked if I would prefer to be placed under any other set of rules or code than that which was in force at the time at which I entered the service, namely, the 18th April 1849. I have had only two periods of leave out of India; those were for 20 months from March 1869, and for 12 months from September 1876, both on urgent medical certificate, and I am not at all aware that the conditions for sick leave under the old rules and under the codes differ. If they do, I was not informed of the fact, and I do not know it now. I have also had eight months' privilege leave in all my service. This constitutes the entire leave that I have had during my Indian service. Now it is not conceivable that I would knowingly have bartered after 1869, when I was a first grade superintendent, drawing a high salary, my prospects under the Rules of 1831, which I consider entitle me to expect half my average salary for the last five years of my service, for what is promised in the codes; in other words, to give up 9,000 rupees or 900 l. a year, and accept 5,000 rupees instead, for any consideration that any subsequent code or regulation could offer me. What could be an equivalent under such a prospect as that? If such really happened, it must have been due to sheer ignorance on my part, against which, I submit, I ought to have been protected. That, Sir, is my comment on this memorial and the answer of the India Office to it.

Mr. King.

561. When you entered the service in 1849 the rules of 1831 were in force?—That is so.

562. Those rules were subsequently modified by the Court of Directors of the Company in 1854 or 1855?—Certainly, 1854.

563. They stated that after a certain date in May 1855, all who, after that date, entered the service were to have their pensions limited to 5,000 rupees per annum, or 500 l., they stated, for certain services, and 400 l. if for less?—Yes, it was so.

564. And they expressly, in that Despatch, reserved the rights of those who entered prior to that date?—That is so.

565. Subsequently the Government of India was taken over by the Crown?—Yes.

566. And in the Act which took over the Government of India, they reserved the rights of all the servants of the Company?—That is so, so I understood it.

567. And under the rules of 1831 you were entitled, or you conceived yourself to be entitled, to one-half the pay you were drawing on the average of the five preceding years when you retired?—So I understood it.

568. That is your case?—That is my case.

Mr. Buchanan.

569. Just in supplement of the last question Mr. King asked you, what is the difference between what you now get, and what you consider yourself entitled to get under the rules of 1831?—The difference is between 5,000 rupees at the rate of exchange (what I am now drawing) and 900 l.; the difference between 354 l. 5 s. 4 d. and 900 l.

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Mr. Buchanan—continued.

570. Do you consider yourself entitled under the rules of 1831 to get your pension paid in pounds sterling?—So I read the rules; I read the rules in that way.

Mr. King.

571. I think I will ask, if I may, one more question; what is the average pay you had been drawing the five preceding years in India when you retired?—For five preceding years my average pay was 1,500 rupees a month.

572. That is 18,000 a year?—That is 18,000 a year.

573. Eighteen thousand a year; if you had 9,000 rupees that would be half?—Yes, that would be half.

Mr. Bristowe.

574. At what date did you leave the Army entirely and join the Civil Service?—I scarcely remember; but if you will permit me to make the remark, it hardly enters into this question; because the Government of India sanctioned that all my service in the Public Works should be counted as Civil Service.

575. Then at what time did you enter the Public Works?—I entered the Public Works on the 2nd April 1849.

576. That is when you went out to India, is it not?—No; I went out to India in November 1846.

577. You entered the Civil Service virtually in 1849?—Yes, 18th April 1849.

Mr. MacNeill.

578. All the old East India Company's pensions, I understood you to say, were paid in sterling?—We gather so, so far as the rules show us.

579. You were in the Telegraph Department; are you of opinion that in those matters that, more or less, relate to technical education, such as the telegraph and others, Europeans are more competent than natives to fill them at present?—The technical education has to be obtained in England in the first instance. I am only speaking to the fact that it has been stated that those officers of the Uncovenanted Civil Service who have been, the word used is, enlisted in India, have taken up appointments which might have been taken up by natives of the country. That I traverse absolutely, and I traverse it in two ways. I first of all say that the career which I have had the honour to mention to the Committee to-day is one which no native was competent to have gone through; and in the next place, that the technical education which is necessary for such departments as the Telegraphs, the Geological Survey, and the Public Works, and others, must primarily come from England. That technical education in the first instance did not exist at all in India. I am one of the pioneers, one of those who laid the foundations on which others have built subsequently, and it is possible that natives may be brought in hereafter more and more, but it has not existed up to the present time.

580. At present very few natives, I suppose, occupy prominent posts in the Telegraph Department?—None at all. There is not a native occupies a superior position in the Telegraph Department, not one.

F 2

581. You

10 July 1890.]

Mr. O'DONNELL.

[Continued.]

Mr. Barbour.

581. You went, I think, to India in 1846?—Yes.

582. When did you retire from the service?—In 1877.

583. Then you were 31 years in active service?—Yes; I was brought under the superannuation rule. When I went out to India I was 24 years of age. Of course, when my age of 55 was completed then the Government dispensed with my services on the ground of age.

584. But for this superannuation rule, as far as you are personally concerned, you would very likely have remained in India longer?—I might, almost to this day; that is, of course, with a necessary period of leave to recruit health.

585. Just so. In that 31 years that you were in the service, what actual leave had you?—I had 20 months of sick leave granted me once, and 12 months a second time, sick leave only; and I had 8 months of what is called privilege leave, which is not counted in any way in the country.

586. Then you told us something about the pension you thought you were entitled to receive, and also the pension which you actually receive?—Yes.

587. You made reference to rupees, and also reference to sterling; what I want now from you is a statement in rupees of what you actually receive and what you think you should receive?—I actually receive 5,000 rupees a year as my pension now, and I consider that I ought to have 9,000. If the Committee will permit me to put in one further remark in answer to something I heard drop a little while ago; the question was put: Does residence in India affect health? I think I may remark that the insurance tables of all the insurance companies is an answer to that question.

588. What do they say?—They say that the value of life in India is probably about one-third less than it is in England; at any rate, my insurance premia dropped from some 61% a year on policies on my life when in India to 41% now.

589. You suggest another question there however; there are two factors to that, the climate on the one hand and habits on the other?—That is true; but I do not think you can say that the habits of educated gentlemen in India are necessarily prejudicial to health.

590. I did not say anything about them at all; I do not know so much about them?—It is only those who would insure.

Mr. MacNeill.

591. You are drawing a higher salary than can be drawn by an uncovenanted civil servant, are you not?—Not at all; there are uncovenanted servants that draw 2,500 £, and more, 3,000 £.

592. The circumstances are very exceptional, are they not?—Not at all.

593. I mean the pension, not the salary?—Oh, yes; the highest pension. I am drawing the highest ordinary pension; but the Government have in several instances (for, I suppose, sufficient reasons) granted higher pensions; but those are very exceptional cases.

Chairman.

594. When you joined the service in 1849 you had no expectation, then, of being entitled to draw a pension in England at all, had you?—I had. I had a firm intention of doing it.

595. Is it not a fact that in 1849, when you joined, no retired uncovenanted servant could draw his pension in England at all?—I cannot vouch for it, but I suppose it will be brought out in evidence before this Committee. But our information is that a great number of uncovenanted servants did draw their pensions in England, and in pounds sterling.

596. Are you not referring to a Return which was laid upon the Table of the House of Commons last year, in which the names of 21 retired uncovenanted servants were given who had pensions paid them in England in sterling as exceptional cases?—Twenty-one.

597. Twenty-one in number?—Yes.

598. Was it not the rule in 1831 under which you joined the Service that pension should be paid in India in rupees, and that any remittance of the pension should be effected by the pensioner himself in any way he pleased?—I believe that at the time you speak of the pay was drawn in Calcutta.

599. I am speaking of the pension?—Yes; the pension was drawn in Calcutta and remitted to England, but I am under the impression that one reason was that it was advantageous to do so. I remember perfectly that when I was making family remittances home to England in the early part of my service, I was much more a benefiter by this exchange, sending money home for the education of my sons and daughters, to England, than otherwise. In fact for some years I am under the impression that I scarcely ever failed to realise a good deal more than par.

600. Are you aware that under the 1831 rules you would have had no right to draw your pension anywhere but in India?—I could not answer that question.

601. Are you also aware that under the 1831 rules you were not entitled to any pension at all except upon medical certificate?—And I had had that.

602. Did you retire on medical certificate?—On medical certificate.

603. You did?—Yes. I may inform you that my last leave home was on medical certificate for 12 months, and before the expiration of that 12 months the Government of India wrote me a letter telling me that my 55 years would expire before the expiration of my medical leave, and that I should not be required to return to India.

604. Am I right in saying that when you retired you did not retire upon a medical certificate of incapability for further service?—You are right in saying that I was superannuated.

605. Is it not a fact that under the rules of 1831 you would not have been entitled to any superannuation at all unless a doctor had certified that you were unfit for further service?—That is true; but will you permit me further to remark that had that rule of retiring at 55 not been introduced (and that rule was not introduced, no was I asked to accept it, with my will), I might have been in India up to this day.

606. That is a very fair answer as far as the point

10 July 1890.]

Mr. O'DONNELL.

[Continued.]

Chairman—continued.

point is concerned?—I was not asked to accept the rule, still I was made amenable to it.

607. When was the rule requiring or permitting retirement at 55 years of age passed?—I cannot quite call it to mind, but I do not think it is in question.

Mr. King.

608. The date is 31st August 1871, is it not?—Yes, I believe it is.

Chairman.

609. Will you tell me what salary you were receiving in 1862?—In 1862 I was receiving 800 rupees a month.

610. In 1862 you were receiving 9,600 a year?—Yes, 800 rupees a month.

611. What were you receiving at the time you retired?—1,500 rupees a month.

Mr. MacNeill.

612. The Chairman has been speaking about your pensions always being paid in India, generally in Calcutta, from 1831 to 1858; no question in reference to the depreciation of the rupee could have arisen under it?—None at all.

613. If anything it was appreciation, it was higher?—Well, it was guarded by the official rate

Mr. F. J. ROWE, called in; and Examined.

Chairman.

618. WHEN did you enter the service of the Government of India?—In 1870, on the 15th June.

619. How did you enter it; was it by appointment, or by competitive examination?—By appointment in India.

620. Who gave you the appointment?—The Lieutenant-Governor of Bengal; I was subsequently confirmed in the appointment by the Secretary of State.

621. Are you still in the service of the India Government?—I am.

622. What was your first appointment under the Government of India?—Professor of English Language and Literature in a State College.

623. And what salary did you receive?—500 rupees a month.

624. What is your position now?—Professor of the English Language and Literature in the Presidency College, Calcutta.

625. And what salary are you now receiving?—1,000 rupees a month. I have received considerably more in acting appointments as Principal of the College and Registrar of the Calcutta University; but my pay is 1,000 rupees.

626. The appointment you received was not one that could have been held by a native of India?—Decidedly not, except (as I have said in my memorandum) by a native with very rare acquirements. There has been one I perhaps ought to say, who has been appointed to a similar position; but he is a native Christian who was partially educated in England.

627. Were you in India before you were appointed?—Yes.

Mr. MacNeill—continued.

of exchange which the Government published. It was guided by that.

Mr. King.

614. You mean that the Government had guarded against ever having to pay more than 2 s. by stating that they would always take 10 rupees as 1 £?—That is my impression.

Mr. MacNeill.

615. The Chairman has also asked you, and you have stated that you are aware that under the old East India Company's rules no pension was given after a lapse of years except in case of incapacity for service; as a matter of fact, after a certain age did not doctors always certify that you were unfit to serve?—They were always willing to do so. But I cannot speak to that.

Mr. Barbour.

616. Do I understand you to say that the official rate was never above 2 s.?—I have no recollection of its being above 2 s. It might have been, but it is not within my recollection.

617. Are you aware, according to Tables put before the Committee, that in 1856-57 it was 2 s. 0½ d., and in 1857-58, 2 s. 1 d.?—I am probably open to correction there, but I believe that the official rate seldom went up beyond par.

Chairman—continued.

pointed?—I was; I had been there a year and a-half.

628. What were you doing in India?—I was Vice-Principal and Professor of Classics in La Martinière College, Calcutta, a post for which I had been selected in England.

629. How long had you been in India?—A year and a-half.

630. May I ask you the question which, I think, has been put to most of the witnesses before us; were you educated in England?—I was educated in England.

631. Where?—At Uppingham School, and at Christ's College, Cambridge. I was an exhibitor of Uppingham School, and an open scholar of Christ's College, Cambridge, where I took my degree in classical honours.

632. Shall I ask you in order what you have got to say upon each of the points before us; will that be a convenient way of taking what you have to say?—Yes; I do not think I have anything very new to say. I have not heard very much of what has been said to-day; I was not summoned for to-day, and I have not been in the room long. What I have to say is down in the memorandum which I have just written out and handed to you.

633. Had you any special covenant with the Government of India when you entered their service?—I had no written covenant. I was told I should enter on the rules which were then in force as to pay and pension.

634. Those are the rules of 1862 with certain modifications?—Presumably.

F 3

635. You

10 July 1890.]

Mr. ROWE.

[Continued.]

Chairman—continued.

635. You read these pension rules as entitling you to a pension of 10 rupees to the pound sterling?—Yes. I was told I should get 500*l.*, and I verified that statement by references to the then pension rules, and also by what I have mentioned at the end of my memorandum, that to the best of my belief I had seen at Cambridge official advertisements from the India Office calling for candidates for appointment in the Education Department of India, and in those advertisements the pay and pension were mentioned only in sterling.

636. But I am right in concluding, am I not, that it was not in answer to these advertisements that you obtained your appointment?—No, not directly. It was in answer to a suggestion from the then head of the Department in Bengal that I should apply for the appointment as they wanted a man of my qualifications. I may state that I gave up better pay and prospects in order to enter Government service.

637. Do you base your claim to a pension at the rate of 10 rupees to the pound sterling upon the declarations of the pension rules then in force?—Partially only. An expectation, which I submit was reasonable, was raised in my mind that I should get 500*l.* pension by my reading of the rules then in force and by the verbal remarks that were made to me by the Director of Public Instruction in suggesting that I should apply for the appointment.

638. Now what were those verbal remarks?—That I should be entitled to a pension of 500*l.* when I had finished my service. No mention was made of rupees at all.

639. Were you aware that under the pension rules under which you entered the pensions were payable at that time in India in rupees?—I did not know at that time much about where they were payable. £. 500 I was told I should receive, and 500*l.* I expected to get. I may point out, perhaps, that I gave up, as I was going to say, a position of greater immediate emolument, and almost the same prospects, tempted by the promise of a 500*l.* pension. I should have got larger pay immediately (a good deal larger) in the post I held; and I should have got 250*l.* sterling pension after 20 years, much less service and much larger immediate pay.

640. Now have you anything to say as to furlough?—I do not see why I do not require as much furlough as covenanted civilians, my work being as arduous and important as theirs, my social position being equal, and my education, speaking generally, superior to theirs.

Mr. Buchanan.

641. I understand your claim is that you ought to be paid 500*l.* sterling?—Yes.

Mr. SYDNEY HUTCHINSON, called in; and Examined.

Chairman.

654. WHAT is your position in the service of the Government of India?—I am an assistant superintendent of the first grade.

655. In what department?—The Telegraph department.

Mr. Buchanan—continued.

642. You are not in the enjoyment of the pension now, are you?—No; I am on leave.

643. You do not claim to be put upon the same conditions as covenanted civil servants as regards pension?—No, I do not.

644. And leave rules?—No; I was told that I should receive 500*l.* a year pension, and that is the least I think I am worth, and the least I ought to have.

Mr. MacNeill.

645. Are you aware of the appointment, not mentioned in the case, but mentioned by Mr. —Barnes, who gave evidence?—I was not here when he gave evidence.

646. It is this: are you aware of this, or is it the fact, that if you take furlough now for, say, a year and a half?—I am on furlough now for a year.

647. Very well; if you chose to go back now, you would lose your entire year; the residue of the year would not be available the next time you took furlough. Is that so?—I do not know that that is the case. I do not think, if there is such a rule, that it would apply to me. I am under Schedule A.

648. I suppose it is unnecessary to ask you; we all know that you intended to spend your pension at home?—Yes, always and entirely.

649. And you were not thinking of rupees?—Not the least.

Mr. Barbour.

650. I think you said you entered under the rules of 1862?—Yes, I think those would be the rules, 1862. I entered in 1870.

651. Did you take the trouble to look closely into them?—Not very closely, I think.

652. If those were closely looked into, and it was found that they affected adversely your claim for, as you say, pension at 2*s.* to the rupee, of course to that extent it would invalidate your claim?—To that extent it would if the claim were a legal claim; but various things conspired to make me think that I should get 500*l.*, not only the rules, but the verbal promise, and also something which I think I shall be able to get from the India Office. I have asked Mr. Waterfield for it, and he says he may be able to supply it at the next meeting; that is the Secretary of State's advertisements put up in Cambridge Union for candidates for appointment in the Education Department of India, in which the pay and pension were stated only in sterling.

653. That is 18 months before you joined the service, at least?—Yes, that is 18 months before I joined the service; but I remembered the terms of these advertisements and was influenced by them to apply for a Government appointment.

Chairman—continued.

656. When did you join the Service?—On the 30th November 1871.

657. By nomination or by competition?—I was the last of the nomination men appointed by the Secretary of State.

658. Appointed

10 July 1890.]

Mr. HUTCHINSON.

[Continued.]

Chairman—continued.

658. Appointed here in England?—Appointed here in England. I went through my training at Southampton.

658*. Will you state to the Committee the points on which you wish to give evidence?—I wish to give evidence only on one point. I belong to the last batch of men who were appointed under the nomination system. We were led to join the Telegraph Department, that is, to go through the technical training at the Hartley Institute, Southampton, by the issue to us of a printed prospectus which led us to believe that the conditions under which we joined were precisely similar to those of all the nomination men who had been appointed before us. I am unable to produce that original prospectus, but I would ask the Committee to call on the India Office to produce the one that was issued to us, which doubtless they will be able to do. It would have been issued prior to 1871, in 1870 probably.

659. In what way did you gather from this prospectus, that you would be treated?—In the same way as all the other nomination men who had been appointed in the same way that we were. To the best of my recollection this prospectus named all the salaries in rupees, but contained a foot-note stating that the pound sterling might be considered as being about equal to 10 rupees, which we understood (reading it the other way) meant also that 10 rupees meant a pound sterling. We went through our training, and after we had passed our final technical examination we received a letter from a solicitor to the India Office sending us a covenant to sign. We signed it, but before we had returned it we received another letter from the India Office requesting us to return this covenant, because it contained a clerical error. We accordingly returned it, thinking it was a misprint; we were boys then and did not take any legal advice about it.

660. When you say "we," how many people are you speaking of?—I believe, 15. There are six of us in the service now who are affected by it. We returned it, and another one was sent us, which we thought identical. We signed it, and have since discovered that the "clerical error" the solicitor mentioned in his letter was no less an alteration than the cutting out the words about the "payments to be made under these presents shall be at the rate of 2*s.* to the rupee;" and inserting, "all payments under these presents shall be at the current rate of exchange." I do not know the precise wording, but that is the meaning of it. I asked to give evidence upon this point because I wish the Committee to know the circumstances under which this change was first made in those covenants. I leave it to them to consider whether it was a simple clerical error, and whether this change was made in a straightforward way. That is all the evidence I have got to give. The result of this is that all the nomination men, with the exception of the last six, when they come home on furlough, now draw their furlough pay at 2*s.* to the rupee, while we men who went through exactly the same training, got our nomination in the same way, and

O.135.

Chairman—continued.

were appointed in the same way, only get our furlough pay at the current rate of exchange, that is, 1*s.* 4½*d.*, or whatever it may or ought to be.

Mr. Buchanan.

661. I understand this is purely an exceptional case?—Yes; it happens to be the final covenant in which this clause about exchange was inserted.

Mr. Barbour.

662. Are you able to produce this clause, or anything in the nature of proof. Do you know that it was as you say?—I have no doubt that the India Office will be able to produce it.

663. I hope so; it ought to be met?—Of course this is only my own personal evidence.

664. We should like to get a little beyond that, and to obtain some other proof?—Exactly. Of course, that is necessary.

Mr. Bristow.

665. How long before you entered the service did the other men, whom you say had been treated differently, enter?—Some of them were actually under training at the time in Southampton; one lot.

666. Do you mean the same year?—Yes; only they were at a more advanced stage of their training when we were beginning ours. There were altogether 78 men appointed under the same rules as myself.

667. And before that how many?—I think it was in 1868 that the first lot was appointed; but I am not prepared to be certain about it.

668. Your particular batch was 15, I think?—Fifteen; of those, six now remain in the service.

Chairman.

669. As to this letter; you are speaking of its contents from memory?—Yes.

670. You kept no copy?—I kept no copy of it. It was just a brief note asking to have this covenant returned, because there was a clerical error in it; that I am quite sure was the expression used.

670*. You are quite sure of the words "clerical error"?—Perfectly.

671. Was it an official letter?—It was an official letter signed by a solicitor of the India Office, as solicitor of the India Office.

672. With a number on it?—I am not prepared to say whether it had a number, but it was an official letter.

673. What is the nearest you can give as to the date of the letter?—It must have been in November 1871, because my appointment dates from the 30th November.

674. Then as to the letter which was recalled, you know nothing about that letter?—It was not a letter, it was a printed form of covenant which was recalled, but I am quite certain that the covenant which was sent back to me, and which I signed, and which is now in my possession, differed from the one that was sent to me in no respect whatsoever, except in the alteration of this clause about exchange.

675. From what source of information do you know

F 4

10 July 1890.]

Mr. HUTCHINSON.

[Continued.]

Chairman—continued.

know that?—I know it, because I have compared my covenant with the covenants of men who were appointed in the year preceding my appointment.

676. And the difference between your covenant and theirs is this particular clause?—Yes, only this particular clause.

677. When did you first find that out?—I think I first found this out about eight years ago, but I am not certain to a year or two.

678. You say that you are now suffering from this alteration of your covenant, that if your covenant had been the same as the covenants of others nominated by the Secretary of State, you would now be drawing your furlough pay at the rate of 2 s. to the rupee?—Yes. The result in my own personal case is that I have had 18 years actual Indian service, and have not been able to take a single day furlough.

Mr. ALEXANDER DALZELL, called in; and Examined.

Chairman.

687. WILL you tell us when you entered the service of the Government of India?—In February 1871.

688. Did you enter by nomination or by competitive examination?—I entered by nomination; I was nominated by the Governor of Bombay.

689. In what capacity did you enter the service?—I entered the Department of Land Revenue, Survey, and Settlement.

690. What is your present position?—Assistant superintendent in that department.

691. Did you hear the evidence given at the last meeting by Mr. Jenkins?—The last portion of it

Chairman—continued.

679. Because of the low rate of furlough pay to which you are entitled?—Yes.

680. Are you on furlough now?—I am on privilege leave.

681. You have never taken furlough?—Not a day.

682. What would be your pay if you took furlough?—Three hundred and fifty rupees.

683. Three hundred and fifty rupees a month?—Yes.

684. Are you going out to India immediately?—I am going out next Friday; to-morrow week.

685. Are you staying in London?—I am living here.

686. Will you be attending the Committee?—I can attend any day that I am required to.

Chairman—continued.

692. And have you read the case which has been laid before the Committee?—Yes.

693. Would you kindly make your observations supplementary to that case and that evidence (I do not want you to go over that ground again), and tell us what you have to add to the statements therein made?—Yes; with the permission of the Committee, I should like to read from the document what I have to say, as I am suffering from the effects of sunstroke in India, and my brain is not in as good a condition as it might be. (*The Document was handed in.*)

Tuesday, 15th July 1890.

MEMBERS PRESENT:

Viscount Baring.
Mr. Bristowe.
Mr. Buchanan.
Sir John Gorst.

Mr. Howorth.
Mr. King.
Sir William Plowden.

THE RIGHT HONOURABLE SIR JOHN E. GORST, IN THE CHAIR.

Mr. ROBERT ARTHUR READ, called in; and Examined.

Chairman.

694. WHAT is your qualification to give evidence to the Committee?—I have been associated for the last three months with this subject, in going into the whole of the documents, including the Despatches and the case generally of the Civil Engineers of the Public Works Department, as assistant secretary to the Indian Association, and I have thoroughly, I believe, mastered the case.

695. Have you printed the result of your investigations in the shape of a case, which has been furnished to the Committee?—I have.

696. Will you put the whole case in as your evidence?—If you please.

697. I think that will be the most convenient course?—I should like to put the whole case in.

698. Having put the case in as the evidence you are prepared to give, you might confine yourself to comments upon it, calling the attention of the Committee to any points in the case you think desirable, and particularly to anything in which the case of the engineers differs from the general case of the uncovenanted Civil Service?—Yes.

699. Have you anything to observe upon the first page of your case?—Upon the first page of the case I have no particular observation to offer. I should state that, with reference to the few engineers who have retired from the department, who came under the old rules, I have not dealt specifically in any way with them, but have rather left them to be dealt with under the general case of retiring pensions with the uncovenanted service. On page 2 it will be seen what the *personnel* of this department consists of. The various classes are set out in paragraph 2. I should like to tell the Committee that the Stanley engineers were appointed under a series of documents which will be found in the Appendices A. 2 to 7. Later on I shall ask your attention to the contents, more particularly, of the several paragraphs of those prospectuses; but at present I would only put them in as the documents which were put forward to invite Stanley engineers to join the Department. The circumstances under which they were put forward were that,

O.135.

Chairman—continued.

in 1858–59 the Government of India, as we now understand it, took over the East India Company's Service, and wishing to develop the public works in India, applied for these engineers. The second class of engineers are engineers who are nominated by the Secretary of State for short terms, and afterwards granted permanent appointments. The main of those engineers were appointed between the year 1869 and the year 1872; that is, between the time when, as I shall show you by-and-by, the supply of Stanley engineers fell off and the time when the Government had matured Cooper's Hill, and had engineers ready to come forward.

Mr. Bristowe.

700. May I ask why they are called "Stanley Engineers?"—After Lord Stanley. Then, about 1870, the regular supply of Stanley engineers having fallen off, the Government determined to create the Indian Civil Engineering College at Cooper's Hill for the purpose of supplying a regular number of trained engineers for the Public Works Department of India. Those gentlemen applied under a series of documents which will be found in Appendix "A. 8 to 12." The documents I have printed in the Appendix must only be taken as typical; they are not the documents of every year. I believe them to be the only material ones for the consideration of the Committee; but I should ask, if necessary, that the whole of those Cooper's Hill prospectuses should be put in.

Sir William Plowden.

701. Have you any documents for the second class?—The second class have no documents at all; they were appointed on the understanding which I will prove by-and-by. This third class of engineers was appointed from Cooper's Hill prior to the year 1876. In paragraph 3 the third class of engineers are those who are appointed by the Indian Government by competition from Indian colleges prior to 1876. That year is taken because in 1876 there was a special Despatch which limited certain better rules which

G

15 July 1890.]

MR. READ.

[Continued.]

Sir William Ploeden—continued.

which were issued in 1872 to certain classes; and also because certain warnings were given them in that year. The Class 4, who were appointed in 1876, were also appointed from the Indian colleges, but with the warning contained in the Despatch of 1876. Then these engineers were always a part of the department which the policy of the Government was to supply from the Indian Empire itself, and not from home. The four chief colleges were Thomason College, Roorkee's College, Seelapore College, and Madras College. The fifth class is the first lot of Cooper's Hill engineers that were sent out under those prospectuses to which I refer you, namely A. 8 to 12. That is not an exhaustive list of prospectuses, as I have said before: but merely typical ones. I divide the Cooper's Hill engineers in this way, because the men who went out, having joined between 1870 and 1874, were admitted to some exceptional rules upon the ground that their prospectuses contained certain statements which are not contained except with limitations in later prospectuses. The engineers in Class 5 were those immediately following 1874, and of which I shall have something special to say: the engineers appointed in 1876 came in under prospectuses which were in many material points different and contained warnings which caused them to stand upon a different footing. I should wish to tell the Committee how the existence of Cooper's Hill came about. The Stanley engineers, who were appointed to develop the Government works in India under the prospectuses in the Appendices A. 2 to 7, found when they joined the service that they were in a materially different position to that which they anticipated; and it was owing to that that very great discontent grew up in the service, and that culminated about the years 1868-69; and I shall prove that the supply of Stanley engineers in the years 1868 and 1869 had fallen off almost to nothing. It was just about that time that the Government were developing large works in India, and the contention is that being very anxious to secure a continuous supply of engineers they issued a Circular which will be found in the Appendix bodily, but an extract of which is printed on page 3. That Circular was issued to allay the dissatisfaction which had arisen owing to the position in which the Stanley engineers found themselves on going out to India. The great grievance was that while employed upon the same works, and very arduous works, and very often taking the brunt of those works, they were treated very differently to the Royal Engineers who were in the Department, and to whose emoluments (by the word "emoluments" I mean pay, pension, and leave allowance) they considered theirs should be, to a certain extent, equalised. The Government evidently, as I submit, in 1869 agreed with that view, because they issued a Circular to every man in the Department, including all these classes, men appointed in India and in England alike, which contains the paragraph: "The Government of India unreservedly declares its complete confidence in the body of Civil Engineers in its service. It has long been, and continues to be, the desire of the Government of India to recog-

nise their merits and just claims as fully as those of any other class of its officers, and its appreciation of them is sufficiently proved by the large additions to the number of Civil Engineers employed under Government during the last two years. Further, so far from there being at the present time any disposition to depreciate the value of the services of the Civil Engineers, the Government of India has lately had before it a proposal which it is hoped will take early effect, for improving their position generally, and placing them, in reference to their emoluments, on precisely the same footing of other officers employed on the same duties." A copy of that Circular was sent to every engineer in the Department, and that Circular was supposed by them to be a promise which would obviate all the difficulties which had attended their position, and that they would be put upon a footing with the Royal Engineers, so far as the difference between Military and Civil Engineers would always enable them to be. That promise was continually kept alive. I shall have to refer to that later on; perhaps I might only just call the Committee's attention to a Minute of Sir Andrew Clarke, which is published in 1878, which lays special stress upon the position of the engineers. The quotation which I want to read to the Committee will be found on page 4 of the case; an excerpt from the whole of the Minute, which will be found in the Appendix, B. 4. The Civil Engineers in the Department, it is contended, were amply justified in considering that a promise which was made in 1869, and dealt with in various Despatches up to and including 1887 (I think as late as that), and were amply justified in relying upon that promise, because, from time to time, as these Despatches came out, better rules were made, and the service continued to press for still more concessions. They are now before this Committee, and essentially base their case upon the promises of the Government, which are contained in those Despatches, and also upon the inducements which were held out to them when they joined. With your leave, I shall now go to the depreciation in value of gold and silver money. The contention of the first batch of engineers who joined the Public Works Department under the 1859 to 1872 prospectuses (that is the Stanley engineers) is this: that they were offered by those prospectuses certain inducements to take service with the Government of India, which were expressed in a certain way, and that upon the faith of those they took service. Their complaint now is that, although those inducements were in many cases quoted absolutely in sterling, in others quoted in sterling, so as (we submit) to be misleading, if they were ever intended to come under any rule which involved taking the rupee at anything less than the 2s.; and they say now that, putting them under rules which involved their accepting the lower-priced rupees is a material alteration in the consideration which was put forward before in their prospectuses.

Chairman.

702. In what particular does the case of the engineers differ from that of the other officers already submitted to us, in which an amount in

15 July 1890.]

MR. READ.

[Continued.]

Chairman—continued.

rupees is spoken of as equivalent to an amount in sterling at 2s. to the rupee?—It is submitted that it very materially differs.

703. From the case of other officers?—From the case of other officers, for this reason: they rely upon the Despatches; perhaps, if they had to stand upon their prospectuses alone, there would not be the same great difference; we say that that Despatch of 1869, being the outcome of the agitation which was commenced immediately upon the operation of those prospectuses being realised, has absolutely precluded anybody from thinking that the prospectus was meant to be the only document they were to rely upon.

704. Then do I understand you to say that the case of the engineers differs from that of other officers, not in the engagements contained in the prospectuses, but in the Despatch of 6th October 1869, which gave them an additional and independent and separate guarantee?—That will apply to some engineers; but there are engineers whom I should contend, upon their documents alone, would stand in a better position than those gentlemen whom you indicate. In the first instance I was putting the case of the engineers as a body, and not considering them under their various prospectuses, and the inducements that were held out to them to take service individually. Later on I am afraid I shall have to trouble the Committee with more detail as to the various classes; but in dealing with this, unless you intimate that you would rather I went into more detail, I would deal with the general statement (which I shall hope better to prove hereafter), that engineers were induced to take service in the Department by the offer of sterling, and then the consideration which was offered to them for taking service was materially altered by the new rules which are imported. One of the gravest complaints the engineers have is that being made subject to this fluctuation in the rupee, they are very very much put upon an unequal footing with those officers of the Royal Engineers who are employed with them upon the same duties in the Department; and I shall refer with very great confidence to Despatches which contain expressions of opinion by most competent authorities, that this difference is very detrimental to the service. Then the first point about this fluctuation of the rupee is that the engineer being subject to it has no sure pension to look forward to, but only one which varies with the value of the rupee. That being so, it is found that it blocks promotion in the Department. Engineers do not retire in the same way, and in consequence there is a very grave block of promotion; and that is one of their grievances, arising out of this depreciation of gold and silver money. With reference to that we say that also very materially varies the consideration that was offered to them to take service, because certain rates of promotion were held out, and those rates of promotion are not anything like realised.

705. I am afraid the question of promotion is one that is hardly within the competence of the Committee. So far as promotion is stopped by the fluctuating value of the rupee I think that is a matter within the jurisdiction of the Committee; but any grievance which merely arises

Chairman—continued.

from slower promotion than was promised in the prospectus is scarcely one which the Committee is competent to consider?—Thank you, sir; I accept that; what I wanted to put before the Committee was this, that the fact that the promotion that was offered has not been realised is to be referred, to a very large extent, to the depreciation of the rupee.

706. Consideration of that kind is quite within our competence?—And we say that in so doing it has materially varied the consideration which was offered the men to induce them to join this service; I cannot, of course, put it any higher than that, as you will readily understand. With reference to this question of promotion, it will be found dealt with in certain Despatches, all of which will be found in the Appendices; with submission, I shall be able to show that the block is caused by this depreciation, and their being subject to that depreciation. I cannot, of course, carry it any further. I should like to direct the attention of the Committee very closely to the opinion which is expressed with reference to this block in promotion, which, I say, arises from the depreciation of the rupee: that is an opinion expressed by Sir Theodore Hope; the Minute is printed in Appendix 5, but there is a short extract on page 8, paragraph No. 4; you will see that he writes there: "A block in promotion was established which is most injurious in two ways; (a) the reasonable expectations of qualified men are unfulfilled in a very marked degree; and (b) prolonged service in positions of inferior responsibility actually renders a man less competent for the exercise of higher authority." The block in promotion will also be found dealt with by Sir Andrew Clarke in the Minute which is printed in Appendix B. 4. The block still gets worse, which will be found on reference to Appendix B. 7, which is a Government Minute, which shows that year by year the ages have been increasing for steps in promotion. That is largely brought about, it is the contention of the Department, by the depreciation of the rupee. The next question which arises on the case is the question of the leave allowance, that is a very important question to the engineer, because he has to come home to recruit his health; and therefore he wants a leave allowance which shall enable him to come back to Europe. The two points are these: that sufficient leave is not allowed to count for pension; and that the pay upon leave is inadequate. Upon page 10 will be found this statement, that certain classes of the engineers have curious rules; that is to say, Classes 1, 2, 5, and 6, that is, the Stanley Engineers, engineers appointed in India by the Secretary of State, engineers appointed from Cooper's Hill between 1870 and 1874, and engineers appointed in 1875, are allowed to count two years' furlough in 20 years continuous Indian service, three years in 25, and four years in 30. Class 3, engineers appointed by the Indian Government from Indian colleges, and Class 4, are both of them allowed to count no furlough for pension. And I should wish here to press upon the Committee this difference between these classes. Europeans largely go into the service from these Indian colleges; I believe

15 July 1890.]

Mr. READ.

[Continued.]

Chairman—continued.

I believe the majority of them are domiciled Englishmen; they have fulfilled in the service exactly the same duties as men sent out under Stanley covenants or from Cooper's Hill, yet they are not allowed to take any leave and count the time for service. Then Class 7, that is, the Cooper's Hill men after 1876, have a small special regulation which enables them to count a year served in England as a year for pension. This divergence of rules seems to be a very material departure from the promise which was made in 1869, because the allowances which are made in respect of leave are part of the emoluments which the Despatch of 1869 says shall be equal (as we contend) for Royal and Civil Engineers in the Department. In paragraph 5 on page 10, the Committee will find how the engineer is better off in the amount of time that he is allowed to count for pension. The next point is the payment of leave allowances.

Mr. King.

707. Will you state what the furlough is that is allowed to engineers?—The furlough allowed to Royal Engineers is as follows: they are allowed to count three years home service, also one year of instruction at home as captains, and furlough to the amount of four years in 20 years of total service, five years in 25 of total service, and six years in 30 years of total service, to count for Indian pensions. The authority for that is the Army Regulations of India. The Government of India has on more than one occasion intimated that it thinks all engineers should be brought within the same better furlough rules, all European engineers. Unfortunately they are not, and it presses very hardly upon many gentlemen of good birth and education who have gone into the Department through the Indian colleges, and now find themselves unable to come home without having the time deducted from their service for pension. Then with regard to paying allowance in this country in sterling, the claims vary more considerably here than in any other way; but it is quite clear, I submit, from reading the prospectuses and advertisements under which the Stanley Engineers and the Cooper's Hill Engineers joined, at any rate that down to a certain date, which should be fixed for the Cooper's Hill Engineers at 1875, and for the Stanley engineer at no date at all, because he was not appointed after 1870, all of them, both Cooper's Hill and Stanleys, are entitled to furlough in sterling, and not subject to the fluctuation of the rupee. Here again they find themselves at a very great disadvantage as compared with the Royal Engineer, in the fact that the Royal Engineer is safeguarded by the sterling minimum. He gets his pay in sterling. These gentlemen say that they are sent upon foreign expeditions. Evidence will be given that they are sent across the frontier and are often under fire, and take the brunt of the work of the Department, and then are unable to take, either in length of time or with equal allowances to the Royal Engineer, the prospect of which was held out to them.

708. Will you tell the Committee what the rules are as regards payment of furlough for different classes; some are paid at 2s., are they

Mr. King—continued.

not?—Yes, there are various rules for the payment of leave allowances. Up to the year 1872 a certain set of rules prevailed. Those rules were contained in the special leave code.

709. I do not want you to go through the whole leave code at present, but merely to state at what rate are the Stanley engineers paid their furlough?—The Stanley engineer takes his furlough allowance in the current rate of exchange. I believe 1s. 5d. is the sum fixed for the transaction between the two Treasuries.

710. And the one nominated by the Secretary of State for a short period, Class 2, how does he draw it?—That will depend as to whether he was appointed in England or in India. There are two or three very minor differences like that, which bring the men either under one rule or under another.

711. Can you not say what it is, speaking generally?—Speaking generally, the English appointed engineer comes under the better rules, and the Indian appointed engineer, whether he is European or not, does not come under those rules. Gentlemen will tell you later that he is in this anomalous position, that he is entitled under the Despatches to the better pension rules, but that he cannot get the benefit of those as he does not come under the better leave rules.

Chairman.

712. I thought you were speaking of furlough?—Yes, if you will allow me, he cannot take the benefit of those pension rules, because he is under the worse furlough; that is an Indian appointed engineer, who comes under rules which do not enable him to count furlough for pension.

Mr. King.

713. Cannot you give the seven classes, and say at what rate each draws his furlough pay, merely to simplify matters for the Committee?—Yes; the whole of the classes, with the exception of the engineers appointed from Cooper's Hill, from 1870 to 1874, draw, subject to the fluctuation of the rupee. It is specially granted to these 1870 to 1874 men, upon the terms of their prospectus, which I submit are exactly the same as those of the Stanley engineers.

Mr. Buchanan.

714. Do they get theirs at 2s.?—The Cooper's Hill men appointed 1870 to 1874 take it at 2s.; but the Stanley men, exactly on the same terms with regard to furlough, take it at the current rate of exchange.

Mr. Bristowe.

715. Are those 1870 to 1874 men covenanted; do they come under the head of covenanted servants?—No, they have no covenants at all.

716. The 1870 to 1874 men?—No, they have no covenants; they are appointed direct from Cooper's Hill under the regulations of the Secretary of State.

Mr. King.

717. It was granted to them, was it not, because the India Office admitted the construction of the prospectus, or said they were entitled to draw their furlough pay in that way?—That is so; they made application to the India Office upon

15 July 1890.]

Mr. READ.

[Continued.]

Mr. King—continued.

upon the terms of their prospectus, and they were granted this concession. Later on, I am afraid, I shall have to trouble the Committee in a little more detail with regard to these rules. We now come to pensions; the pensions come under rather a different category to the payment of leave allowances, because almost throughout, with the exception of the first Stanley Engineers, between 1869 and 1875, there is that warning which was inserted in the Leave Code in 1864, that pensions drawn at the Home Treasury would be paid in the current rate of exchange. The contention is, that that is entirely inconsistent with the position the Government took up in the Despatches. That is the case generally with regard to pensions, that concurrently with prospectuses, which in many cases equated the rupee at 10 to the £., and talked of sterling furlough pay, and then equated the pension in rupee, with this warning that was entirely inconsistent with the Despatch which said they should be upon the same footing as Royal Engineers, who draw pensions in sterling. I do not think I need trouble the Committee with details of those rules, but I want to draw attention to this as I am passing. On page 13, paragraph 4, deals with that question of the special provision being inserted in the Pension Code in 1864. I should ask that certain Despatches (a list of which I hold in my hand) should be produced, in which I believe it will be found that the whole of the clauses which deal with this payment of pension, talk of the pension as 500 £., and not as 5,000 rupees. I say that the then existing contracts which were made between the Government and the Stanley Engineers and others coming in, were not made with a common mind. Page 14 shows the improvement in the pension rules and the leave rules, which hang very much together (because of the leave counting for pension) which were made in 1884. There are only certain classes who are admitted to those rules.

Chairman.

718. At the time those new rules were made, was the depreciation of the rupee taken into consideration as one of the grounds for making them?—In 1884?

719. Yes?—As to that I am not prepared to give direct evidence; I shall give you evidence as to the officers who came under those rules, and as to what they consider they were meant to represent. Here I should note (if I may ask the Committee to remember again) that there are a great many officers in this department, who, although admitted to one section of those rules, cannot get the benefit of them, because they are not admitted to the others. I mean these English-trained engineers who are appointed in India, who are allowed to come under the better pension rules, but are debarred from the full effect of them by not being allowed to count furlough for pension. That is found to operate very hardly on Englishmen who are appointed in India.

720. What I understand you to say is, that they must choose to come under one of two sets of rules, that they cannot come partly under one and partly under the other?—No; it is not a question of election, as I understand it. The

Chairman—continued.

engineer appointed in India, has no election; he cannot say, I will take my pension under the better rules and my leave under another set of rules, or *vice versa*.

721. He must take his pension and his leave under the same set of rules, must he not?—No; I am afraid I have not expressed myself clearly.

Mr. King.

722. You were pointing out the anomaly, I think?—I was pointing out this anomaly, that while some engineers are admitted to come under the rules Nos. 1 and 2, upon page 14, in the third paragraph, they are debarred really from getting the full benefit of those rules, because they are not admitted to the better furlough rules, which allow them to count furlough for service; you see, they have to put in so much more service.

723. Will you tell the Committee who those persons are; give one concrete instance?—There is a gentleman who will be called before the Committee, and will prove that he was an engineer, employed upon one of the largest railways in India, holding a very good appointment, who, in the period between the Cooper's Hill men coming out and the falling off of the Stanley Engineers' supply, was taken into the Government service; he is one of those gentlemen who is entitled to claim in accordance with the regulations under Rules 1 and 2, for pension (I am speaking of Rules 1 and 2, on page 14), and he, at the same time, is not allowed to count two years, or three years, or four years, or five years, as the case may be, in furlough towards service for pension, because he is an engineer appointed in India.

Chairman.

724. Who was, therefore, not entitled to furlough at all?—Yes.

725. But, then, do you mean to say that he is not debarred from the benefit of No. 1 and No. 2; I do not quite understand what you mean; you do not mean that he is debarred from the benefits of Rules Nos. 1 and 2, do you, but that, being admitted to the benefits of Rules 1 and 2, he is not admitted further to the benefit of Rule 3?—Quite so; he does not get the full benefit of the new pension rules because, by the new pension rules (you must read the furlough and the pension rules together, I say), you are allowed to count so years' furlough for pension; and one of the rules of pension is, that you can count so much furlough for pension. This gentleman is entitled to get so much money if he serves his time properly, but he is not allowed to count in that period of service any quantity of furlough.

726. Because, by the terms of his original bargain with the Government of India, he is not entitled to any furlough at all; is that so?—No; I should submit that those gentlemen (I shall come to the case a little later on) are upon the same footing as the Stanley Engineers; they have no specific rules other than those.

Mr. King.

727. Originally none of the engineers were allowed to count any service for pension, were they?—No; originally they were not.

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15 July 1890.]

Mr. READ.

[Continued.]

Mr. Howarth.

728. Is there no specific contract made with engineers who enter the service in India of any kind?—Not that I am aware of. Some of them entered into short covenants; and the rules they would come under would probably be the civil leave and pension codes at the time existing for the uncovenanted service, and at the expiry of those short covenants they were taken on permanently; others, on the other hand, were given permanent appointments at once. There is a great deal of confusion in the various appointments that were made, of engineers. I wanted to point out that the result of this inferior pension is again to put the civil engineer at a very great disadvantage, as compared with the Royal Engineer, who is employed upon the same work, and contrary entirely to the spirit of the Despatches, which were common property between the years 1869 and 1887. Then, of course, with regard to the Cooper's Hill men, the contention is that they were specifically told they were to belong to a service which was upon all-fours with the great military and great covenanted service of India; that was the understanding at the time that Cooper's Hill was instituted.

Mr. Bristowe.

729. Are there any papers to that effect?—The only thing I can refer you to for that is an extract from a speech of Mr. Grant Duff's in the House of Commons, which will be found printed in Appendix A. 14. If you look at 103 in the main Appendix, you will see in the second paragraph of the page, they say: "What the Government claimed to have done by the establishment of this engineering college might be thus summed up: First of all, an imperative duty to India had been discharged by getting for her the trained engineering ability which she wanted; and, secondly, the Government claimed to have done many works of supererogation for England, of which the chief were the following:—They had created a new profession on a level with the two great Indian services, the civil and the military. They had not restricted, but widened the area of competitive examination, by admitting the public schools to compete, which were hitherto like all the other great schools."

Chairman.

730. Do you say that a statement by an Under Secretary of State in the House of Commons, that the Government had created a new profession on a level with the great Civil and Military Services, is tantamount to an undertaking on the part of the Government to make the rules of the Public Works Department as good as the rules of the Civil and Military Services?—I do not quite put it so. What I say is this: that, reading the whole history of the Stanley Engineers, the outcome of which was an entire failure of supply, owing to the altogether inadequate remuneration, in that state of things the Government writes a Despatch, and says, for the future you shall be upon the same footing as the Royal Engineers; that this is an engagement.

Mr. Bristowe.

731. Where is that Despatch?—It is the Despatch of 1869; it is quoted on page 3; it will

Mr. Bristowe—continued.

be found *in extenso* in E. 1 of the Appendix. The set of circumstances which called forth that Despatch, and the announcements which were made at the formation of Cooper's Hill, all tended to one idea in people's minds who were going to take service; and I say that was the inducement. It was the intention of the Government to secure these gentlemen, and it had held forth certain inducements, and the contention is, that those inducements have not been made good, and that the consideration has been altered. With reference to one question upon pension, which I should like just to speak to before I go further, I believe it has been contended that pension is entirely of grace, that the engineer or the civil servant is not entitled to pension, but that it is a matter of grace. I should ask whether, having regard to the definition the Indian Government has put upon emoluments (which includes pension), it can be said that pension is not a matter of right.

Chairman.

732. Do I understand you to allege that some authority has said that the present civil servants of India are not entitled to pensions?—No; it arises in this way. I rather gathered from what passed in the Committee the other day that the contention was that the pension rules were entirely permissive, and that pension should be looked upon as of grace altogether. If I am mistaken I shall, of course, be open to accept correction. I have only put a note as to that at the end of the chapter. I know it is so as to the maxima. The maximum pension, I quite understand, comes under certain rules which have been held to mean so-and-so; they are matters of grace; but I think it has been carried rather further than that; that is the impression that has been left upon my mind, and one of my contentions, which you will find under the prospectus, is that the whole of my emoluments were to be paid to me in a certain way which I, reading the prospectus with the Despatch, considered to be pounds sterling including pension. The engineers base their claims, shortly, upon the two documents which will be found printed in E. 1, that is the first one; that is a Despatch which I have quoted before. The sense of that Despatch was kept alive throughout the whole of a series of Despatches, which will be found in the Appendices. If you refer to page 19 of the case you will find there, set out, those Despatches. I should like to call the Committee's attention very particularly to a letter which will be found printed on page 18 of the case. That was a letter from Mr. Cross to Mr. E. H. Carbutt, who was then a Member of Parliament (I forget for where), who had been urging the claims of the Indian civil engineer upon the Government, and if the Committee will kindly look at the middle of page 18, paragraph 4, they will see Mr. Cross writes as follows: "Lord Kimberley observes that you are under the impression that the present disparity of the pay of the civil and military engineers will be maintained; this is not the case. It is intended that they shall in future receive the same amount of pay." That is in 1883, and is entirely carrying out the sense of the Despatch of 1869, which I would impress upon

15 July 1890.]

Mr. READ.

[Continued.]

Chairman—continued.

upon the Committee was sent to every member alike of the Public Works Department. They all had it. It was sent to them so that the difference which had arisen as to the rules might be at once set at rest, and upon that Despatch they have relied with this chain of Despatches which follow. I do not know whether you would care for me to go through those Despatches, that are on page 19, and read certain paragraphs out of them, upon which I rely.

733. I think you had better read from the Despatches anything that you rely upon?—If you please. Appendix E. are the Appendices you please. The first is E. 1, which I have already referred to; that is a Despatch of 1869. I need not read that paragraph again. The answer to that was on the 15th of March 1871, and at the bottom of page 145, Section 3, the question is further dealt with. This is a Despatch of the Duke of Argyll's; there are two paragraphs, 3 and 4.

734. Paragraph 3 has distinctly reference to the question of promotion; which is hardly before us?—With reference to that I accept what you have told me: that except with reference to the fluctuation of the value of gold and silver money, you cannot deal with that question. Then, "for a similar reason it may be desirable that the civil engineers should be assigned relative rank after fixed periods of service, corresponding with those which qualify for substantive rank in the Staff Corps; and I would further wish you to consider whether there ought not to be only one scale of salaries and allowances for all members of the service, both civil and military."

735. Is that germane?—The next Despatch is No. 43, P. W.; it will be found on page 148. I have had these Despatches *resuméd*. The whole Despatch is printed in a Return to Parliament, which follows Appendix E. 3; they are full Despatches. If I might be allowed, I would read, to a certain extent, from the *resumé* on page 148, "Section 16," which is the paragraph to which I would direct your attention. "With reference to paragraph 4 of your Grace's Despatch under reply" (that is the last Despatch of the Duke of Argyll), "we may remark that we have already recommended the equalisation of the pay of the military and civil branches of the Department, and we are gratified to find this proof, that Her Majesty's Government are likely to receive that proposal favourably. On this point we only add that we shall be glad to see some plan adopted by which the furlough allowances of civil engineers shall be equalised with those of military officers in the Public Works Department, and so far as practicable, their advantages of pension also." Then the next is a Minute of Sir Andrew Clarke's, which was published in September 1878, which is contained in Appendix B. 4, paragraph 51, page 124. He is dealing here with the state of the Department generally. I should like to direct the Committee's attention to the whole of those paragraphs which are contained on pages 123 and 124. They are very important as to the state of the Department. This paragraph is as follows:—"I may also refer, in connection with this subject, to the correspondence that has appeared in the columns of the Indian Press, and

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Chairman—continued.

some of the professional papers in England. The letters from the civil engineers were, some of them, well argued; but, there was a tone of hopelessness pervading them, engendered of expectations unfulfilled. The practical outcome of the Indian correspondence was that enhanced pensions formed the only remedy for slow promotion, and for the dreariness of the future when unfitted for further work in India. I have observed no disloyalty to Government. A large number of civil engineers addressed a memorial to the Secretary of State in 1871, setting forth their grievances. They were desirous of making a further joint representation early this year, but were deterred by the late resolution of the Government of India forbidding all joint action in memorialising. The members of the covenanted Civil Service in Madras and Bombay have disregarded the order, and have jointly addressed the Secretary of State. The Civil Engineers acted in obedience to orders, only a few of their body waited on me personally to state their grievances, and when informed that the Government was moving in the matter, they quietly abstained from further action. It is, therefore, the more incumbent on me to see that they do not suffer for their loyal acquiescence in the orders of Government." My argument from that is, that those gentlemen relying upon the promises which had been repeatedly made in Despatches, when they again approached Sir Andrew Clarke in that year, were re-assured in the sense that these promises would be fulfilled to them.

Mr. Howarth.

736. What was the date of this; I do not see any date attached to that?—I cannot tell you exactly. From the intrinsic evidence I should say it is 1877; I have only had a reprint before me, which you will find on page 119 of Appendix B. 4; the first page of it, which refers to Despatches of 1876. I know those were published in 1878, so that I should place the date of that Minute of Sir Andrew Clarke at about 1877. The next Despatch is 18 P. W., London, 22nd March 1883; it follows page 152. Page 13 of that Return to Parliament, Section 20, is as follows: "Although not alluded to in your letter, the question of the pay of the Royal Engineer members of the Department is one which it is desirable now to consider. The opinion has already been expressed by my predecessors that the position in the Department of the Military and the Civil Engineers should, as far as possible, be assimilated, and the time has, in my opinion arrived, when the distinctions which now exist in their emoluments should be removed; I desire, therefore, that in future the salary of the Royal Engineer officers admitted to the Department shall not be supplemented." I do not think I need read the rest; that is the paragraph I rely upon there.

Mr. Bristowe.

737. It rather points to a reduction of the Royal Engineers than the other; I think you had better read it?—Yes; I will deal with that subsequently.

738. I think you had better finish the paragraph?

G 4

15 July 1890.]

Mr. READ.

[Continued.]

Mr. Bristowe—continued.

graph?—"I desire, therefore, that in future the salary of the Royal Engineer officers admitted to the Department shall not be supplemented by military pay proper, but shall consist only of the salary of the grade or office in which they may be serving. I do not propose that any deductions shall be made from the present allowances of those who are in the Department, but on their promotion the new rule should be applied to them, provided they do not by promotion suffer any diminution in their total present emoluments."

Chairman.

739. What is the date of that?—That Despatch is No. 18, and the date is the 22nd March 1883. That is all that I wish to refer to there. The next Despatch is contained upon the next Return to Parliament immediately following the long Return. I refer to page 5 of that second Return that is bound on to the case, the Minute by Sir Theodore Hope. It begins on page 3 and extends over pages 4 and 5. There Sir Theodore Hope deals with certain figures of salary which he proposes should be applicable to the civil engineer; the superiority of the pensions for civil engineers, and the starting age; and then it goes on, in paragraph 7 and paragraph 9, to deal with the differences in the salaries of the two Departments; and the effect of the general Minute is to advocate the equalisation of pay. It having been ruled that that would not reduce the Royal Engineer (the whole of that Minute I shall ask to put in, and have carefully read by the Committee), it points to the equalisation of pay, not of the levelling down of the Royal Engineer, which one honourable Member suggested was the effect of that other paragraph.

Mr. Bristowe.

740. It sounded like it?—I quite admit it; but it applies to the equalisation by the levelling up of the civil engineer.

Sir William Plowden.

741. Where is the passage in which you find the "levelling up"?—I should ask you to read the whole of the Minute; I will extract it.

Chairman.

742. I think you had better read it yourself?—On page 3 the first paragraph begins, "Although it may scarcely be possible to preserve."

743. Would you read the passage or extract on which you rely for the "levelling up"?—Appendix E. 5, page 1. I find I have given the wrong reference; it is explained now. What I want to refer to is No. 34, Public Works, which is a Despatch from the Secretary of State, to which Sir Theodore Hope's Minute is appended, and paragraph 3 of that Despatch is as follows:—"In requesting to be furnished with your Excellency's views on the point raised in regard to the first appointment of Royal Engineers and civil engineers to your Public Works Department, I would remind you of the discussions which have taken place on the subject of the relative positions of the civil and military members of the Department, and of the desire

Chairman—continued.

which has been expressed by my predecessors in office, in which I fully concur, to establish their relations on a perfectly equitable footing."

Sir William Plowden.

744. There is no "levelling up" there?—No; but it will be found that it was admitted that it was impossible to reduce the scale of pay of a Royal Engineer, because the policy of the Government of India, as I should submit, was always to keep a certain number of Royal Engineers in the Department as a reserve; and it may be conceded in relation to that, there may be some questions which are outside the analogy between the two, but in reference to the duties which they perform in the Public Works Department, I say that the whole of those Despatches have proceeded upon the basis of giving them equal emoluments.

Mr. Howorth.

745. The word there is "equitable," not "equal," footing?—I distinguish their purpose. The "equitable" basis would be equality tempered by whatever small difference might be held to represent the extra service required for the Queen's Commission. They perform exactly the same service, you see, in the Department, and it is submitted that they should be on one footing. The only difference would be that which they ought to have in respect of the holding of the commission.

Sir William Plowden.

746. If you look to paragraph 12 of that Minute you will see it says, that it is impossible to put the two classes on a perfect equality?—I quite agree. I have tried throughout this case to indicate that there is, in a sense, a difficulty in putting them upon an equal footing, but having taken everything into account we say we are very much upon a worse footing than a Royal Engineer in the Department. We ought to hold a better relative position than we do.

747. I must say I should like you to complete that point about the "levelling up." We have not got it yet?—I will endeavour to do so.

Mr. Bristowe.

748. On page 5, paragraph 9, there is a reference rather in favour of your argument as to spontaneous retirement?—This is a Despatch (No. 50 P. W.) to the Secretary of State from the Government of India, dated the 16th December 1881, and signed by Lord Ripon and his Council. Page 5, paragraph 9: "As to spontaneous retirement, we are prepared to put civil engineers on the same footing as members of the Covenanted Civil Service, that is to permit retirement after 25 years' service, of which 21 must be active service." That, of course, would be carrying out Mr. Grant Duff's suggestion, that engineers who were to be appointed from Cooper's Hill were to be upon the same footing as the great Civil and Military Services. I am afraid I must ask leave to refer to some of the prospectuses.

749. I wish

15 July 1890.]

Mr. READ.

[Continued.]

Chairman.

749. I wish you would refer us to them as clearly as you can, and read anything you like from any of the prospectuses?—I am going to deal now with page 20 of the case, the inducement to join the service. I should ask the Committee to recollect here that this is in 1859, when the Department first became, so to speak, organised. At page 11 of Appendix A. 3 there are extracts from the Regulations for the Public Works Department applicable to Bengal, the North Western Provinces, and the Punjab.

750. No date is given here?—I think that was the Appendix to the 1859.

751. We will take the date to be 1859?—I have here the original. At page 11, in paragraph 3 of the Rules for Sick Leave, you will find there that the rupee is clearly equated to the £. What I propose to show now is, that the emoluments offered to the Stanley Engineers were believed by them to be equivalent to 10 rupees to the £.

Mr. Bristowe.

752. They were then?—They were at that time, undoubtedly.

Chairman.

753. You are referring to the passage, "that he shall in no case draw a larger sum than 6,000 rupees," then in brackets "[6000.] per annum"?—Yes, that is so; in brackets 600 l. per annum. That, you see, is an equation of 10 rupees to the £.

754. That is a matter of argument; let us get the evidence?—On page 12 (the next page), Section 7, you will see just in the middle, about the third paragraph down.

755. I do not think you need elaborate this; because the attention of the Committee has already been called by Mr. Jenkins to that point; up to a certain date it was always customary to state rupees and pounds sterling as convertible?—I am much obliged to you, sir. The difference I put these gentlemen on is this: I say the working of those rules under which they joined, which are contained in these Appendices, resulted in an agitation which was laid by a Despatch of 1869 promising certain things. I say, subsequent to that Despatch, all prospectuses and all inducements which were held forward by the Government, which were in a contrary spirit, may be said to be misleading; that it was difficult for those who intended to apply for admission to the Public Works Department through any branch whatever to know which they were to be under; and that the meaning of the Despatch, which I submit was consistently to put the Royal Engineer and the Civil Engineer on the same footing, is entirely at variance with the prospectuses. That is my contention upon the documents as they stand; the documents offer certain inducements, the Despatches certain other inducements.

Mr. Bristowe.

756. They were engaged on the prospectuses, we may take it, I suppose?—I should say they were engaged upon the prospectus; but it is very difficult for them to interpret the prospectus 0.135.

Mr. Bristowe—continued.

apart from the Despatch. No doubt the Stanley Engineers joined, say, subsequently to 1869, and the Cooper's Hill Engineers from 1871 onwards joined, to a certain extent upon the faith of those Despatches, upon the report that was brought home to them; and, in that respect, we claim for them a better provision than those who are merely subject to the rules which have not been dealt with in Despatches. That will apply to the Stanley Engineers and the Cooper's Hill Engineers. With reference to Class 2, who are Indian-appointed engineers, I argue for them that they should be upon the same footing as the Stanley Engineers, whatever that may be. Where they have covenants they will, of course, be governed by covenants, but where they have none, where they were simply appointed, they took service upon the faith of the then existing rules, which had, I submit, been modified by the Despatch of 1869. Then, with regard to engineers appointed through Indian colleges in 1875, there they had a distinct warning that they would not be admitted to all the advantages, and they may stand upon a different footing; but the argument is, that you must have a department upon one footing to have it sufficiently efficient to perform the great works which are thrown upon it; because it very often has to control very large sums of money, and to carry out very large public works.

Mr. Howorth.

757. Which is the Memorandum that you say made it known to them?—That is a Despatch of Lord Salisbury's, published in "The Indian Gazette," 1st April 1876, page 153, Appendix F. 1. That same remark applies to Class 4. But in other classes there was no distinction made, except in the matter of rules, until 1884, and then there was a distinct difference made, because certain of the engineers who were appointed were admitted to the better pension rules promulgated in 1874, and certain others, who claim to stand upon the same footing, were not. Then with reference to Class 5, the civil engineers from Cooper's Hill, up to 1874, have been admitted upon their prospectus to furlough payments at the rate of 2 s. to the rupee, and the contention is, upon the Despatches, and generally upon the meaning of the prospectus, that they should have pensions at 2 s. to the rupee, as well as furlough payments.

Mr. Bristowe.

758. Do, as a matter of fact, those appointed in 1874 get pensions at the rate of 2 s. to the rupee?—No; no one does, only furlough. Then Class 6 I should ask your particular attention to for one moment. They were the engineers from Cooper's Hill in 1875. They are in this unfortunate position, that the official prospectus which was issued that year inviting candidates for Cooper's Hill contained a warning as to the furlough being paid on the current rates of exchange, but there is an official book known as "The Cooper's Hill Calendar" (a copy of which I should like to put in), which every student was bound to provide himself with, and that calendar does not contain the warning reference.

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759. Is

15 July 1890.]

Mr. READ.

[Continued.]

Mr. Bristowe—continued.

759. Is that warning contained in this case?—Yes; in Appendix A. 12, page 97, "Chapter 10," it is headed. The difference between that and the calendar printed by authority was, that in dealing with the furlough allowances the calendar does not contain that warning, and so those gentlemen, it is contended, stand upon the same footing as the 1874 men; that is to say, that they should have their furlough certainly paid in sterling. With regard to pension they stand upon the common ground.

Chairman.

760. As a lawyer you do not put it that there is any legal obligation, or any implied contract upon the part of the Secretary of State to pay them in sterling, do you?—No; not these 1875 men; because the official prospectus, no doubt, would be a document superior in authority to this calendar, although that was published by authority, and every student was required to have it; but I should say that it was a very strong case where the men, relying upon their calendar, went into this college and then found themselves debarred by a prospectus which possibly they may not have seen. That, possibly, may be their fault.

761. Did either the students, or the professors, or the Secretary of State, or the officers of the Government of India at that time, ever dream that the relation between the rupee and the pound sterling which had then subsisted so long would be so seriously disturbed as it has been?—I think we misunderstand each other. The last class was when it was beginning to depreciate, but I follow your remark, and I should say that neither party ever contemplated that the rupee would be in any relation to the pound other than that as 10 or thereabout, and that these warnings were put in simply for the reason of safeguarding the Government against a rise which might possibly happen, and that the contract is really what was in each man's mind, the common ground of 2 s. to the rupee. That is the real contract, I should submit.

Mr. Bristowe.

762. They contemplated a rise, you think, rather than a fall?—Yes, I think so.

763. At any rate, that is your opinion?—In one case at the date of the issue of the prospectus the appreciation was as much as 40 l. in 500 l. Then with reference to the gentlemen who came in, I should like to remind the Committee of one other thing with reference to these Cooper's Hill prospectuses; that is, that men who were going with Cooper's Hill had to prepare themselves years before, and who would have begun to prepare themselves under one prospectus found themselves committed to a career and then had the conditions of that career altered under another prospectus. It seems to me to be a case of hardship, if nothing else. Then with reference to the gentlemen who come after 1876, their case must stand entirely upon the general equity, which they contend is in their favour; namely, that they should be put upon the same footing as the best engineers in their Department.

Mr. Howorth.

764. Is the prospectus under which that class

Mr. Howorth—continued.

of gentlemen come in the case at all?—The seventh class.

765. Yes?—It is the same as Appendix A. 12. That, substantially, was then repeated for future years, and that contained warnings both as to furlough and as to pension; that they would be paid at the Home Treasury at the rate of exchange. That governs all the men subsequent to 1874 in one contention, and subsequent to 1875 in another.

766. There is a distinct provision to that effect, is there?—There is. You will find it at page 97 of the Appendix, Chapter 10, Section 26 B. There is there a warning that furlough will be paid at the Home Treasury at the rate of exchange.

Mr. Bristowe.

767. It is not a warning, it is an absolute statement, is it not?—It is an absolute statement.

768. I mean, it is not a warning; it is a distinct notice; it is not a warning, but it is that it absolutely will be done in sterling?—That is so. I mean that it is a warning to gentlemen who were going to take service that this was a rule of the service; that is the only way in which I use it "as a warning." At page 100 you will find a document as to pension. The only thing I have to add is, to impress upon the Committee the effect of those Despatches. I will not ask to go back upon the sections I have read; but my contention is that the Despatch of 1869, read, with the answer to it, supports the contention put forward.

Mr. King.

769. May I draw your attention to the Despatch on page 23, that you have not quoted yet; Lord Mayo's Despatch?—Yes; I am much obliged to you. This is in Appendix E. 3; here it is epitomised.

770. Will you read Section 16?—Yes; it is a very important section. There is a misprint which I must call your attention to on that page 23, paragraph 3, line 4.

Chairman.

771. Will you state to the Committee what the misprint is?—Yes; when I read the real paragraph you will see it: "With reference to paragraph 4 of your Grace's Despatch under reply, we may remark that we have already recommended the equalisation of the pay of the military branches," it says: it should read "of the military and civil branches." A reference to the Despatch will show that that is a misprint; "the military and civil branches of the Department, and we are gratified to find this proof that Her Majesty's Government are likely to receive that proposal favourably; on this point we only add that we shall be glad to see some plan adopted by which the furlough allowances of civil engineers shall be equalised with those of military officers in the Public Works Department, and so far as practicable the advantages of pension also." I think I did read it, but I had not sufficiently emphasised that Despatch.

Mr. Bristowe.

772. Then we are to take it that those recommendations, which you have read from time to time,

15 July 1890.]

Mr. READ.

[Continued.]

Mr. Bristowe—continued.

time, have never been carried out; they have only been recommendations which they seem all to have agreed in, but they have never culminated in anything?—That is so; but there have been communications, from time to time, to the effect that they would be acted upon equitably when the rules were altered in 1884.

773. Twenty years have elapsed then?—Yes; but there has been a chain of Despatches which brings you down to 1887, which is only three years ago.

Chairman.

774. While that correspondence has been going on, has the position of the engineers been progressively and continuously improved?—It has been improved; it was improved in 1884. In the rules that I have alluded to I have pointed out some of the anomalies. It is not the whole department that has been admitted into the privileges of the 1884 Rules.

775. Is the change made in 1884 the only change which has been made in the position of the engineers?—No, that was the main one. There was a minor one, to which I drew attention in 1872.

776. You need not go into particulars?—No; that is to say, the improvements that have been going on concurrently with those Despatches have been improvements, but not in the complete sense of equalisation.

777. I understand you to say that, although improvements have been made, they have not gone as far as the promises would have reasonably led the engineers to expect?—That is so. I should submit that the improvements, upon the face of them, would indicate that.

778. Have you now concluded your evidence in chief?—I have nothing more to add.

Mr. Bristowe.

779. I have observed through all your arguments, that you maintain that the present value of the rupee bears very hardly upon those who have pensions and furlough?—Yes.

780. I want to know whether it is your view that it does not go hardly upon those members of the service when they are out in India; whether the payment of the rupee is not equally bad, as regards the gentlemen in India, as upon the pension and furlough; I only mention that; I want to know your view upon the point?—That is so; I have tried to keep within the limits of the contract. Your point, as I understand it, is this, that the rupee, when a gentleman sends home money from India, has fallen to him just the same as to the others.

781. You make it a grievance that when gentlemen are on furlough or have pensions, they are then very much affected by the rupee, that is as to the rate of depreciation of one-third, or whatever it is?—Yes.

782. Is it your view that they are also affected by the fall of the price of the rupee when they are in India, or is it not?—I should say that they are in two ways.

783. But you do not make it your case?—No; I do not make it my case.

784. It is only with regard to furlough and pension that the grievance comes in, as to the rupee and the fall in silver affecting the price of the rupee?—That is so.

O.136.

Sir William Plowden.

785. I do not at all follow you in regard to your statement as to the gentlemen who are entitled to certain benefits of pension, not being able to get those full benefits because they cannot count furlough towards it; would you explain it to me fully now?—There are two sets of rules; one, a rule which does not allow a certain class of engineers to count furlough for pension, and another which does allow him to count furlough for pension. An engineer admitted to the better rules which were instituted in 1884, if he cannot count furlough as service for pension, cannot get the full benefit of those rules.

786. Quite so; but is he not only admitted to a certain portion of the benefit; you say he is admitted to the benefit of pension; but he is not admitted to the benefit of counting furlough towards service for pension; is that the case or is it not?—I am not quite clear upon that point. My impression is, that he would be able to take the full benefit of those rules only; as you put it, he is not admitted by the old rules to come under the new set of rules for furlough and pension.

787. Is not that the whole crux of the position; what is he entitled to receive; you have not brought that out clearly in your evidence; that is why I am asking you this question?—He is entitled to receive the better pension.

788. That is all?—That is so; but the distinction I want to point out is this, that he is not entitled.

789. I quite understand that point; I want to know what is the exact position of these gentlemen you bring before us?—I believe you are correct; he is admitted to the benefits of 1 and 2 on page 14; that is the better pension rules as to payment, but not as to the right of counting furlough for pension, which is the 3rd rule.

790. That being the case, he does not lose anything, because he has got nothing to lose?—Yes, he loses this; instead of serving 18 years he has to serve a full 20 for the same pension as that for which another man has to serve only 18.

791. But he does not lose anything, because he is still in the same position as he was before with regard to furlough?—I agree.

Mr. King.

792. I will ask you, in regard to that one question; suppose he was retired under the 55 years of age rule, he then might suffer seriously as to pension from not having the furlough allowed to count for service, might he not?—Certainly.

Sir William Plowden.

793. He loses something he has not got?—It may be absolutely impossible for him to get the benefit of these pension rules, of which he intended to have the benefit. Under the rule that he must retire at 55, he may, by not being able to take furlough to count for service, be precluded from every benefit that can be got under those two rules; he may be retired before he comes under that pension rule.

794. Then you spoke about the great disadvantages of applying different rules to men engaged in the same responsible work; it is not absolutely the fact that in the Indian Administration

H 2

15 July 1890.]

Mr. READ.

[Continued.]

Sir William Plowden—continued

tration (take another department, if you like, of Civil Administration) you have got men who are governed by different rules of furlough and pension, and who are engaged in exactly the same responsible work; you find no actual difficulty resulting from this difference, do you?—I should submit that the engineers' work stands upon a different footing.

795. I must keep you to the point, please?—I believe there are anomalies existing in every department, but the engineers' department is essentially one where men have charge of very important works, and have very great opportunities of wasting public moneys; not so much from dereliction of duty as from a want of spirit in their work; and I think a dissatisfied department which arises from these anomalies of the rules is a very great detriment to the public service.

796-7. That would be a very serious position, of course, if that were the case?—There will be evidence upon that.

798. Do not you find that in the non-regulation provinces, as contrasted with the regulation provinces, you have got exactly the same responsible work, entrusted to men who are governed by different rules in regard to furlough and pension, as is entrusted to men on much happier terms of furlough and pension in the regulation provinces, and no evil results from it. If anything, the non-regulation provinces have been rather better administered than the regulation provinces?—That may be so. I have no personal knowledge of those provinces.

799. If, then, that was the case, would you have any objection to the difference you have suggested?—Yes; I should distinguish. I think if you can point me to an engineering department of equal magnitude which is upon the same anomalous terms as to its rules as this, then I should agree; but unless the departments were on one footing with regard to the duties they have to perform, I do not think the analogy would take us far.

800. Would you consider that the engineering departments in their varied classes are of greater magnitude than the administration departments?—The administration departments which are ruled over by uncovenanted servants, you mean.

801. Quite so?—I should, certainly. For instance, an engineer is very often his own magistrate.

802. I am referring to magistrates and collectors?—An engineer is often a magistrate as well as an engineer; amongst his numerous duties he does his own magistracy work.

803. I do not think you are following me; in the Civil Administration, am I to understand from you that you look upon the engineering department as holding appointments of greater value and importance than members of the Civil Administration in the non-regulation provinces; to them these very gentlemen of whom you are speaking?—I should submit that the engineers' department is the most important one. It has developed the resources of India more than any other.

804. I have no further question to put, then, if that is your view?—That is my view.

Mr. KING.

805. Speaking as to that, you do not know anything about it, do you?—No; I am only asked an opinion.

Viscount Baring.

806. This correspondence, which I find in Appendix E., on page 31, led to considerable alterations in the pay and pension rules, did it not, in the year 1884?—In the year 1884 there was a material alteration, which will be found at page 14 of the case.

807. The result was to place a Civil Engineer in a better position than he was in before?—Undoubtedly.

808. Generally did it place him in a better position with regard to the Royal Engineer?—In so far as emoluments and pay; pension and leave allowances were increased by the rules of 1884, they were approximating the Civil to the Royal; that is undoubtedly so.

809. On page 31, paragraph 7, I find this statement: "While maintaining the existing pay of the first and second grade executives at 950 rupees and 800 rupees per mensem respectively, I sanctioned your raising the third and fourth grades to 700 rupees and 600 rupees;" did that raising of the grades and the increase of pay apply to the Royal Engineers as well as to the Civil Engineers?—The raising of the grades in the department would apply all round; to the Royals as well as to the Civils, and the Royals would draw that pay *plus* their military pay.

810. You said the first idea was to make a level, by reducing the pay of the Royal Engineers; I want to understand the alteration about drawing pay; I agree with you in the conclusion that pay and pension may be continued in 1874, so that nothing was done in that direction in equalising the pay of the Royal and Civil Engineers?—That is so.

811. Was anything done to place the Civil Engineers in a better position than the Royal Engineers at that time?—That was in November 1884, and it was in November 1884 that those better rules were brought in.

812. Which applied equally to all engineers employed in the Public Works Department?—Certainly, Royals and Civils.

Mr. Howorth.

813. I did not quite understand the beginning of your argument, in which you seemed to explain the redundancy of the staff in India, very largely by the fact that the inducements to retire were so small in consequence of the reduction in the value of the rupee; but I find, on page 121 of the case, that as early as 1871, and before this fall in the rupee had taken place, there is a paragraph which explains that there was already a great redundancy, and that it was part of the policy of the Government distinctly possible?—Will you refer me to the passage you allude to.

814. Section 23, on page 121. "The Government has, in framing its Civil Pension Code, apparently made it one of its main objects to keep a man in its service. Every possible obstacle is placed in the way of a person retiring on pension. To such an extent is this carried, that no person, until certain concessions were lately

15 July 1890.]

Mr. READ.

[Continued.]

Mr. Howorth—continued.

lately made in the case of the Cooper's Hill students and the forest officers trained in Europe, could voluntarily retire on pension until he had served 30 years in India, or had attained 60 years of age, whichever might happen first, unless in the latter case he was declared to be 'inefficient owing to age or infirmity.' You will see on page 129 (B. 5) there are four different reasons given for this redundancy, but not one of them is given as in connection with the fall in the value of the rupee?—That is quite so; but I should rather read a little further on; if you read the second heading of that you will see, "Hasty and irregular recruitment during the period of expansion, and even somewhat later, accompanied by expectations authoritatively held out to recruits of a rate of promotion equal to that which prevailed during the period of expansion." The promotion did not come, and therefore the engineer who joined the department had either to remain in the lower grade or else retire; he was prevented from retiring, what by? The fact that he had not got a pension which he could look forward to with any certainty.

815. The position you put is this: that in 1871 the redundancy of which you complain was already so much, that you have a special paragraph in an official report stating the fact, and also giving reasons; that was actually before any fall in the rupee had taken place at all?—To which are you referring now? The date of the minute from which you quoted on page 121, is 1877 probably. Those paragraphs are on the permanency of service, which is a point one would have dealt with longer only, I rather understood that the right to a pension, subject to the character of service being satisfactory, is admitted as one which cannot be denied.

816. As I understood, one of your main positions in this: great inconvenience is caused by the enormous stagnation of this class of service?—That is so.

817. If that stagnation had already occurred and was a grievance at a period as early as the fall of the rupee, I do not see how you can attribute it to the fall in the value of the rupee?—The stagnation arises from two or three causes. In 1869 the discontent in the department had raised a spirit of dissatisfaction, which was allayed by a despatch, from which I have quoted. That is going back as far as 1869; but the number of candidates then coming forward for appointment was insufficient. That period was one when the policy was largely to develop public works, and at that time the Government of India took into its service (as we say, and, as I think, the despatches in a great many cases intimate injudiciously) a large number of men under expectation of promotion, and so on, which have not taken place; and it is they who have caused the block. Now, when we want to see why it is that there is a block of this kind, and why men will not go out and will not retire, surely we are entitled to say, as the men themselves say, that it is the want of a certain pension which prevents them so doing; uncertainty of pension, caused by the fluctuating value of the rupee.

818. You have it laid down here, as a definite policy of the Government, that men shall not

Mr. Howorth—continued.

retire until they have served the utmost limit of service that can be got out of them?—That is, perhaps, an unfortunate quotation. If you had the whole minute it would be better. I think what Sir Andrew Clarke meant there was to animadvert rather upon the system of government which had ended in that block; that is to animadvert upon the system of keeping men in the department irrespective of age and standing. If you will refer to other paragraphs, you will find that he indicates that there should be a rate of promotion, which is entirely inconsistent with the theory of keeping men in the department to such an extent as you seem to think he advocates.

819. We will take that to be your argument. Now turn to another point. What class of men enter through these Indian colleges. Is the examination, or are the conditions of entry as severe as in the English colleges?—I have no means of answering that question. You will have Indian college witnesses before you, and they will be able to tell you what the examinations are.

820. I notice in most of these despatches there is a very great distinction made between furlough and pension when the question arises as to equating the two services; and that whereas it is continually allowed that it would be fair to equate the payment of the two services, it is not possible to equate the furlough and the pension, because of the different conditions under which the Royal Engineers serve?—May I ask you to be good enough to refer me to the passage, because I can answer better in that way?

821. Page 148?—You are speaking of paragraph 16, are you not?

822. Yes?—The distinction there is between furlough and pay allowances and the pension. They take two classes; they say they assimilate one entirely, and as far as practicable the other. I indicated that I thought there must always be a difference in connection with the liabilities which a Royal Engineer comes under. As a matter of fact, however, the Civil Engineer has to give in many respects similar service. The Government are entitled to his services if they call upon him, and he often is sent across the frontier. Therefore, I should argue from that, that the pension of the Civil Engineer should be assimilated to that of the Royal Engineer, finding what the difference is that should be made in respect of the Queen's Commission. That is my argument.

823. But apart from the Queen's Commission altogether, there is the fact that in the Royal Engineers there is compulsory retirement at a certain definite age, which prevents a large number of men from acquiring the higher grades. Is not that an extremely material element in the adjustment of the two classes?—Undoubtedly, but the same applies to the Civil Engineer; he has to retire at 55, and the state of his service, like that of the Royal Engineers, is such that he is absolutely debarred from getting to the top.

824. Is there a compulsory age for retirement?—Yes, 55.

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825. How

15 July 1890.]

Mr. READ.

[Continued.]

Mr. Howorth—continued.

825. How long has that been so?—That was introduced into the rules in 1885.

826. Then when most of those grievances arose there was no such compulsory retirement on the part of the civil engineers as there is in the case of the Royal Engineers; I mean to say you would allow that up to that date at all events there was a very large distinction between the two classes of men in that respect?—Undoubtedly; the civil engineer would be contented with the pension that was held out to him in his prospectus if it was paid to him at 2 s. to the rupee; that is all the case comes to, that they shall be under their present rules only, put upon the basis of drawing an assured pension at the rate of 2 s. to the rupee.

827. How do you propose to reconcile the class of clause 6 on page 21 with Lord Salis-

Mr. Howorth—continued.

bury's Minute on page 153?—Lord Salisbury's Minute, if you will notice, only applies to Indian appointed engineers; it does not apply to Cooper's Hill men; you see paragraph 11, F. 1, page 153, deals with it; that applies to Indian appointed engineers only.

Mr. King.

828. Only one question with reference to the question Mr. Howorth put, as to the Roorke engineers; can you tell the Committee from your own knowledge whether there are any men from Roorke holding identical posts practically with those from Cooper's Hill?—Yes, I can say that. I can say that there are Roorke men who have Cooper's Hill men subordinate to them, that is a fact.

Mr. JOHN PATON DAVIDSON, called in; and Examined.

Chairman.

829. WHEN did you join the service of the Government of India?—I was appointed to the service on the 1st October 1874.

830. Did you join Cooper's Hill after a competitive examination?—I did. I was in the first lot that entered the college.

831. When you joined the service of the Government of India, had you read any prospectus?—I had. I had carefully studied the prospectus.

832. Have you got before you the prospectus on which you entered?—Yes.

833. Where is it?—At page 57, Appendix A.

834. That was your prospectus?—I think the prospectus begins on the next page; page 58.

835. But that is called the "revised prospectus for 1871"?—I would explain that we entered on a prospectus of 1871, which was altered after we entered the college. The first batch of Cooper's Hill men objected to certain of the furlough rules contained in the original prospectus. We did not approve of going out to India on one year's leave after 10 years' service, which was not to count for pension; and we represented to Colonel Chesney that on those terms we were not prepared to pass through the college; we would rather leave the college at once. What action Colonel Chesney took, I am unable to say the result, however, whatever he did, was this, that we were told that we should have more favourable rules; the prospectus of 1872 was in print at the time that our representations were made, and so the altered rules first found a place in the prospectus of 1873, which is really the prospectus of all the Cooper's Hill men, from the first year downwards up to the time of the prospectus being altered altogether. Reference to the furlough rules and prospectus of 1871 will show that we were given a lump sum furlough pay; 2,000 rupees, &c.

836. Where are you quoting from now?—At page 3. It follows in the revised prospectus of 1871. As regards leave rules, we were told we should get one year's furlough after 10 years' service, and as to the rate of furlough pay, it is laid down, "To an officer proceeding on furlough, whose salary does not exceed 200 rupees per month, one-half of his salary; provided, however, that it shall not exceed 800 rupees or 80 l. per annum. If the absentee's

Chairman—continued.

salary shall be above 200 rupees, and not exceeding 400 rupees per month, he may be granted an annual allowance of 1,300 rupees or 130 l. Above 400 rupees, and not exceeding 700 rupees per month, he may be granted an annual allowance of 2,000 rupees or 200 l.; above 700 rupees, and not exceeding 1,200 rupees per month, he may be granted an annual allowance of 3,000 rupees or 300 l.; above 1,200 rupees, he may be granted an annual allowance of 4,000 rupees or 400 l."

837. What conclusion do you, or did you, draw from that?—That I was going to get my furlough pay in sterling, at 10 rupees to the pound sterling. We had no objection to this, viz., furlough pay at sterling; we objected to the fact that we should go out for a long service, and at the end of 10 years we should get one year's furlough, which was to count for nothing; and we were not prepared to accept service on those grounds.

838. However, you did get those rules of 1871?—We got the revised rules. By this I mean that we, the first batch at Cooper's Hill, obtained the revised rules, as given in the prospectus of 1873. The prospectus of 1873, in the matter of furlough rules, cancelled prospectuses of 1871 and 1872.

839. How is your furlough pay paid now?—My furlough pay has, after a service of 15 years in India, eventually, on strong representations, been given me at the rate of 10 rupees to the £. sterling.

840. Then you have no complaint to make about that, have you?—I have. I complain that I have been kept out in India for numbers of years because I could not afford to come home. I ought to have been able to get home after eight years' service for two years, but I could not afford it, because the Government of India distinctly refused to recognise my claim to furlough pay at sterling.

841. Being still in the service of the Government your pension question has never yet been raised?—It has never yet been raised, but I am given to understand that it will be paid at the rate of exchange, which is not the expectation that was held out to me when I entered the college.

842. Will you point out the passage in the prospectus

15 July 1890.]

Mr. DAVIDSON.

[Continued.]

Chairman—continued.

prospectus which you think entitles you to a sterling pension?—I would ask the Committee to follow me through the prospectus. The first paragraph of the revised prospectus for the year 1871 tells me this—

843. Where are you quoting from?—Page 58, Appendix A. 8. The first paragraph of it tells me in 1871 that my salary on the 1st October 1874, starting as an assistant engineer, second grade, will be "4,200 rupees (about 420 l.) per annum." I arrived in India on the 15th of November 1874, and I found that my 4,200 rupees was not 420 l., or anywhere near it, but 385 l. a year. I further would draw your attention to paragraph 35 of that prospectus, in which I was distinctly told that my salary and pay as chief engineer, first class, namely, 30,000 rupees per annum, would be in sterling money, or, rather, that the sterling value might be arrived at by taking 10 rupees as equivalent to, or "nearly" equivalent in value to 1 l. sterling, which gives me a very fair idea that if I rose to "chief engineer, first class," I would get something approximating to 3,000 l. a year. I was told in a fly-leaf, which was attached to my prospectus, that my promotion would come—

844. I am afraid I must stop you about promotion. That is not within the competence of this Committee?—Any how, I was told that I should get these salaries rising from 4,200 rupees (about 420 l. a year) to 30,000 rupees, or 3,000 l. a year, roughly. I am at present drawing 700 rupees a month, or 8,400 rupees a year, and I have risen, in 16 years' service (as it will be on the 1st October), from 385 l. (which was 35 l. below, or roughly 35 l. below what I was promised), to barely 600 l. a year. I have risen altogether about 180 l. in that time. I was educated in England; I was induced to go to the college, and it naturally follows that I shall have expenses in England, which, calculated on the salary which was offered to me, it would be possible for me to meet. I have remitted money home, which I did at 1 s. 4 d., 1 s. 4½ d., or 1 s. 5 d. to the rupee; my present salary of 700 rupees a month, instead of being worth, as it ought to be, 840 l. a year, is barely equivalent to 600 l. a year. My furlough pay has, as I say, now been granted. My furlough pay at the present time is nearly 420 l. a year, because under the leave rules I had not quite completed three years in the grade of 700 rupees a month, and my furlough pay is half the average of my previous three years' salary.

845. With regard to your pension, do you put forward a contention that your pension will have to be paid in sterling?—Most certainly I do. My salary was stated to be, on starting, about 420 l. a year; and then in paragraph 33 of that prospectus, which I have already referred to, page 62, A. 8., I was distinctly told that, "10 rupees are nearly equivalent in value to 1 l. sterling." I was in the college from 1871 to 1874, when I passed out; and in the 1874 prospectus the same statement was made.

846. Was not there in the prospectus when you went to the college a statement that on your retirement you would have the option of drawing your pension either in India or from the home treasury?—I quite admit that.

847. And that payment in England would be made at the rate of exchange, which is annually

Chairman—continued.

fixed after communication with the Lords of the Treasury, for the adjustment of transactions between the British and Indian exchequers?—I quite agree to that; but I fail to see how I was to arrive at the fact that I was to be paid at the rate of 1 s. 4 d. or 1 s. 4½ d. to the rupee, when I am told that my salary is virtually sterling, and my furlough pay is absolutely sterling, and I could not get that furlough pay for 11 years after I entered the college; I could not get furlough until I had put in eight years of service in India; that would be the 1st October 1882; but the Secretary of State gave me to understand that the value of my salary, whatever I might be drawing at that time, was virtually sterling money; 10 rupees to the pound absolutely. Of course I should draw half that at home as my furlough pay was stated to be half my salary. My pension is also stated to be half my salary; under the leave rules, as they exist in my case, it is possible for me to take two years' furlough in England, draw my furlough pay at 10 rupees to the £. sterling during this entire period, and retire at the end of it, without returning to India; yet the day that my furlough ends, and I claim my pension, it is paid me at 30, 40, or 50 per cent. discount, and then I am told that I ought to have understood it from my prospectus; I say I could not understand it; it is quite inconceivable that the Secretary of State should have meant me to understand it in this sense.

Mr. Buchanan.

848. When did you say the claim to furlough pay in sterling was acknowledged?—My furlough pay in sterling was acknowledged some time last year; I think in June.

849. To be paid in sterling?—To be paid in sterling on a representation which I made after I arrived at home.

850. Personal representation?—I wrote to the Under Secretary of State. I had previously sent in memorials from India, which had failed to elicit any reply except expressions of sympathy on the part of the Secretary of State.

851. Do not other gentlemen in the same category with yourself get paid furlough pay in sterling?—Only after my representation. Many of them I can state were at home on sick leave on a quarter of their salaries, because they were sent home sick, and had to leave on quarter salaries, which were paid at 1 s. 4½ d. to the rupee, while they were legitimately entitled to 2 s. to the rupee.

852. Then no one in the same class as yourself got furlough pay in sterling until you obtained it last year?—Until I obtained it last year.

Chairman.

853. It was then given on the ground that the prospectus did amount to a personal undertaking to pay the furlough pay in sterling, was it not?—Yes.

854. That was the interpretation finally put upon it last year by the Secretary of State, was it not?—That was the interpretation finally put upon it last year by the Secretary of State.

855. Since then it has been given to all those who come under the same conditions?—It has been given to everybody. I may point out to the Committee that representations by memorials had been made previously. I personally

15 July 1890.]

Mr. DAVIDSON.

[Continued.]

Chairman—continued.

sent in a memorial, pointing out the same facts as nearly as possible, but I got no reply beyond one saying that the Secretary of State sympathised with me.

856. You hardly make it a reproach against the present Secretary of State that the grievance was not redressed sooner?—No; these memorials have to come through the Government of India. I do not know in what shape the memorial reaches the Secretary of State in the least; but the fact remains that when I got straight to the Secretary of State I then got what I had claimed previously; I could not get it before.

Mr. Bristow.

857. Do I understand that you make it a grievance that you were paid in India, in rupees, in consequence of the fall in the rupee?—I do.

858. Your pay in India is inadequate, you say?—My pay in India is absolutely inadequate.

859. And you do not consider that it is in accordance with your prospectus?—No, I do not consider that it is in accordance with my prospectus. I consider that so far as he can do it, the Secretary of State ought to enable me to place in England a certain amount of money for my *bona fide* family requirements at the rate given in my prospectus, or what would be more equitable, he should give me compensation, in the shape of a personal allowance, sufficient to make good the depreciation, at the time, in the sterling value of my salary. A somewhat similar compensation, for retarded promotion, has been sanctioned to covenanted civilians in Bengal or Bombay.

Mr. Howorth.

860. Was this an individual concession to yourself?—It was first conceded to me, and it followed, as a matter of course, to all the men who hold the same prospectus.

Sir William Plowden.

861. This paragraph 33 that you rely on does not state that you will get these rates of pay, does it?—It is a paragraph which deals entirely with the future. I could not rise to "chief engineer, first class," until the expiration of a certain number of years; but I am told the sterling value of my salary may be arrived at by dividing it approximately by the figure 10.

862. At that time?—At that time. Of course, to me, even my starting salary was a future thing. I could not get it for three years after I entered the college, and it was to be worth to me 420 l. a year.

863. But you refer to this paragraph, and one has to read the paragraph as one finds it, and the end of it is that "10 rupees are nearly equivalent in value to 1 l. sterling." It does not say they will be 1 l. sterling?—No; but the paragraph deals with the future. I may say that I was already educated before I entered the college. I had already passed 21, for Woolwich. I understood that paragraph to mean that my salary as chief engineer, if ever I got to that grade, would be virtually 3,000 l. a year.

864. Does that paragraph deal with the future?—It gives the salaries of chief engineers, superintending engineers, and executive engineers of the various grades, all of them, even to my starting salary of 420 l. per annum as assistant engineer

Sir William Plowden—continued.

2nd grade, future events, as far as they concerned me.

865. As it is worded, does it not deal exactly with the present, and not with the future?—It did not carry that conviction to me nor to any other man I fancy in Cooper's Hill, nor to any of those who allowed us to go there; and the general public took it in the sense in which I took it.

866. Have you been unfortunate in your promotion?—Well, fairly so. I am only in the third grade executives.

867. Many of your own year are in the same position as you, are not they?—Yes, as far as I know.

868. Are you in the irrigation works?—In the irrigation works, Madras.

869. Do you see any prospects of rapid promotion, or do you think you are likely to be left out?—No, I fancy when I take my next furlough three years hence, I shall be home probably with the same furlough pay that I am now drawing.

870. Can you account for this block of promotion?—I fancy the real truth is this: Cooper's Hill was founded to meet a want, by reason of the failure to get men of the Stanley Engineers; we went into Cooper's Hill, and were to go out in three years; the Government of India could not afford to wait three years, and while we were passing through our course at Cooper's Hill they filled up the department with men about the same age as ourselves; and when we got out in 1874 (the first batch), we found the rate of promotion which had been laid down in our prospectus was more or less fulfilled in the case of the men we already found in the department, and being within a year or two of our own ages, they have blocked us ever since; and the moment the rupee began to fall promotion became infinitely worse, because nobody would go.

Mr. King.

871. Referring to Sir William Plowden's question as to the 10 rupees being nearly equivalent to 1 l. sterling, only referring to the time at which the prospectus was issued, is it not the fact that the Government of India recognise that it refers to the present date, by their recent decision in regard to payment of furlough?—Yes; I am paid my furlough pay now at 10 rupees to the £. sterling. I draw it at the present moment.

872. I will ask you one more question on that. Have those who drew their pay (people in the same position as yourself, and therefore admittedly entitled now to draw it at 2s.), at a less rate than 2s. per rupee had any compensation paid to them?—I believe all have been paid their arrears of furlough.

Chairman.

873. In the despatch giving you the furlough pay at sterling rate, were any reasons given for that by the Secretary of State?—Nothing in my letter. It simply said: Under the circumstances represented in your letter the Secretary of State has authorised.

874. Then the Secretary of State is not responsible for the supposition that the addition to paragraph 33 is the reason for it. Was the statement in paragraph 33 ever given to you officially as the reason for the concession?—No; my letter

15 July 1890.]

Mr. DAVIDSON.

[Continued.]

Chairman—continued.

letter merely said, that under the circumstances that I had represented.

Mr. King.

875. But among the circumstances that you

Mr. King—continued.

represented was that paragraph, was it not?—It was; I quoted that paragraph in my letter.

876. And it was under those circumstances?—It was under those circumstances that I was given my furlough pay.

Mr. H. A. S. FENNER, called in; and Examined.

Chairman.

877. WHEN did you enter the service of the Government of India?—In 1861.

878. How did you enter?—By competition as a Stanley engineer.

879. In London?—Yes, in London.

880. Were you one of the engineers who are called in the public service Stanley engineers?—Yes, Stanley engineers.

881. I do not want you to repeat what has been said already by Mr. Read and others; but you had a covenant, had you not?—Yes.

882. A regular covenant?—A regular covenant. In my covenant nothing was mentioned really about the services generally. The only thing it said in the covenant was, that not being permanently appointed to the Department, I should be eligible for the rules which were then extant. That is all it says in the covenant, otherwise my covenant was simply an agreement for one year only.

883. Is the covenant under which you entered the service printed in this case or Appendix?—Yes, I believe so.

884. Can you refer us to it?—It is at page 52.

885. That is the form of your covenant?—That is the form of the covenant.

886. Is it not the fact that in that covenant you are referred to the rules in force?—Yes, the covenant taken as a whole really refers entirely to my probationary period. It simply states in one part of it that I shall be brought on to the Government establishment.

887. Is not this the paragraph to which you refer: "He shall be placed on the establishment of the Public Works Department as an assistant engineer third grade, and shall thereupon become entitled to all the rights and privileges in respect of pay and promotion accorded by the rules and regulations of the Public Works Department for the time being of the presidency in which he may be required to serve; and to leave of absence and retiring pension under the leave and pension rules of the uncovenanted service for the time being?"—Yes; though I do not think in my own covenant that was stated so fully; I do not think so. We have not been able to get a copy of the covenant of 1861, but I think I am right in stating that that is so.

888. You have no special ground beyond that which has been stated by Mr. Read, for claiming to be entitled to a sterling pension?—Excepting the prospectus. In the prospectus it was stated what our emoluments would be. There was also a foot-note showing that the pension would be 500 l. a year.

889. That is what has been so repeatedly stated in this inquiry?—Yes, quite so.

890. That rupees and pounds sterling were treated 0.135.

as convertible terms in the document under which you joined the service?—Yes, or otherwise we were led to suppose that our emoluments would be so many rupees which were equal to so many pounds; but as regards the covenant I freely admit there is nothing whatever in the covenant itself. In fact if the covenant itself is read you will see that it is entirely as regards our probationary period, nothing else. As it was I was, never a third-grade assistant engineer. I was brought direct on as a second-grade assistant, so that the covenant is not quite the same as my own. Further, I believe in the prospectus for every year pounds sterling were put before rupees.

891. Are you now under the more favourable leave rules which were granted in 1884?—Yes; but not as regards furlough on sterling pay, as Cooper's Hill men, 1870 to 1874, enjoy.

892. Why not as regards furlough?—That I really cannot state. Our original prospectuses simply led us to suppose that we should get 10 rupees to the £. and then when Mr. Dangerfield (who was, I think, the first case in point) got sterling allowed him, the Stanley men were not so allowed; but our prospectuses are practically the same.

Mr. King.

893. Do you mean in not having the more favourable furlough rules, that you are not allowed furlough pay at the rate of 2 s. to the rupee?—Yes.

894. And not allowed to count for pension?—Oh, no, my furlough counts for pension; four years out of 30.

Chairman.

895. I was going to ask you about the favourable leave rules of 1884. The payment of the furlough allowances at the rate of 2 s. to the rupee is not one of those rules, is it?—No; it was only in the prospectus of Cooper's Hill, from 1870 to 1874.

896. You did not join on that prospectus, did you, as a Stanley man?—No, certainly not.

897. Then that could not affect your rights, could it?—No, certainly not. It is only a question of interpretation of what our emoluments should be, as inferred from the advertisements and prospectuses under which we joined. As regards rights, I suppose ours is a weak case.

898. Will you just look at page 14 of the Case, which refers to the more favourable leave rules of 1884?—Yes, I have it.

899. Do the Stanley engineers get the advantages of all those three rules?—Yes, we get all the advantages of those three rules, but we do not get the sterling furlough pay; in fact, it is only Cooper's Hill men, from 1870 to 1874, who get it.

900. Is

15 July 1890.]

Mr. FENNER.

[Continued]

Chairman—continued.

900. Is not it given to the Cooper's Hill men, from 1870 to 1874, on the ground that in their prospectus there is what is virtually an undertaking to pay furlough at that rate?—Yes, quite so.

901. On the ground of the special terms of their prospectus?—Yes; practically on its legal interpretation, not on its general interpretation; if the latter, I should be eligible for sterling furlough pay.

Mr. Howorth.

902. What presidency are you in?—I am in the Bengal Presidency, in the Punjab Province; I am superintending engineer of a Frontier Circle.

903. Your contention is that equitably you ought to be placed precisely on the same footing as these men of 1870 to 1874?—Oh, yes, certainly I think so; and also, of course, our great grievance is that when I entered the service it was actually in print, as you will see stated here, that I should get 500*l.* pension. Now, according to the rules, I am only eligible for 433*l.*, at 1*s.* 4*d.* per rupee.

Chairman.

904. You mean 5,000 rupees?—Five thousand rupees, yes; but it was stated in a foot-note, when I joined the service, that I was really eligible for 500*l.*

905. Five thousand rupees, and then 500*l.*, in brackets?—Yes, quite so.

906. It is the same thing that has been before us several times?—Yes.

Mr. Howorth.

907. Do you suffer from the congestion in this province, that is complained of in the others?—Yes, very much so; and it is no doubt due to the fact that the senior men cannot retire, because the rupee might fall to eight annas, and we should be practically pensionless; so that no man can possibly retire unless he has considerable private means; and that no doubt affects the promotion a great deal.

908. The whole of the civil engineers in India are not on one list of promotion, I presume; you are divided, are you not?—Superintending engineers are on the same Government of India list, and that deals with the entire Bengal Presidency. The executive engineers are on a separate, and usually a provincial list. Of course, in the case of any senior superintending or chief engineer retiring from a province, if possible, promotion is given in the province, so that that really gives promotion throughout.

909. What I mean is, that there may be greater congestion in one province than in another?—Very much so, and of course at different times that may happen, and so affect a man's after prospects. My own is a case in point; I should be chief engineer now, if it had not been for having been five years in one grade, when I think I may say I was giving my best service to the Government.

910. How many years' service have you now?—Twenty-nine years' service.

911. What pension are you entitled to now?—Six thousand rupees a year, being a superintending engineer; at the current rate of exchange.

Mr. King.

912. When you entered the service in 1861 the rupee stood at 2*s.* 4*d.*, did it not?—Yes.

913. Roughly speaking?—Yes; I think it was 2*s.* 3*d.*

914. It may be that in 1861 the rupee stood at 2*s.* 1*d.*?—It has stood in my time at 2*s.* 3*d.*

915. At any rate you never contemplated the fall that has taken place, at the time you entered into the contract?—Oh, no.

916. You did not at the time?—Never, for one moment; and all these different large departments of State were first constituted then, and no doubt the idea of the framers, or of the Government of the time was, that the pension should have the minimum value of 500*l.* The Government took from 1859 to 1862 to compile what are known as the 62 rules, the first rules issued by the Imperial Government.

Chairman.

917. At that time the pension could only be drawn in India, was it not so?—Yes, certainly.

918. There was no power to pay pension at all in London at the time you entered?—Certainly.

Mr. King.

919. You must have been one of those of whom we have heard as being extremely discontented when they got into the service, during the first nine years you were in the service?—Well, this agitation has been going on since.

920. I want to lead you up to 1869?—Yes, quite so. I was going to say this agitation has been going on for 25 years. We have always been discontented.

921. You were one of those whom Mr. Read told us were very discontented?—Certainly. I was going to leave the service.

922. What was it that prevented you leaving the service in 1869; you had an offer did not you in 1869 of a very lucrative character to leave the service of the Government, why did not you accept it?—Simply because of the Duke of Argyll's Despatch.

923. The Despatch we have heard of so much, of 1869?—1884. From that date it seemed to lay down a settled policy as regards ourselves, and of course we have always built our hopes upon it. Our memorials ever since that date have referred to that Despatch; it has become our sheet anchor really in everything.

924. I suppose you are competent to speak generally as to the Public Works Department, and can tell the Committee whether there is any department connected with the Government of India, in which there is more possibility of waste or corruption than the Public Works Department?—Oh, dear no. We have an enormous expenditure, and everything depends upon our staff being efficient and contented.

925. A little more or a little less zeal would make all the difference?—Quite so. We are practically contractors to the Government. We form an estimate for works, and we have really to carry it out, we have no *bonâ fide* contractors, and the Government depends upon us to carry out the works.

15 July 1890.

Mr. PAUL DANGERFIELD, called in; and Examined.

Chairman.

926. When did you enter the service of the Government of India?—In November 1872.

927. How did you enter, was it in competition or by nomination?—Under nomination.

928. What had you been previously?—Before I entered the Government service, I was a covenanted servant of the Great India Peninsula Railway. I was then a resident engineer on their permanent establishment; I resigned that appointment to enter the Government service.

929. Under what contract did you enter the public service?—I can hardly use the word "contract." I had no written agreement with them in any way. I had simply the letter from the Under Secretary to the Government of India, offering me the appointment if I chose to accept it.

930. If you chose to accept it?—Yes, and I understood that I accepted the appointment, subject to the rules then in force in the Department, and to the declarations that the Government had made that those rules would be materially improved.

931. You understood that you entered under the rules which were then in force?—Yes; and also in connection with that, the promise of Government that they proposed to materially improve the position of their civil engineers.

932. That was prior to 1884; they have, as we have heard, been improved in 1884?—There has been improvement in the main, but not such, I think, as would come up to the expressions that were used in regard to the Government's intentions then.

933. Have you heard the evidence which has been given here to-day?—Yes.

934. Have you got anything to add to the statements which have already been made, first, on the subject of the sterling pension?—My case is so entirely different from the other classes in the Department that to enter fully into it I should have to go into very much fuller detail; but on the same lines that the other witnesses have been examined I would have nothing to add then to what has been said about the sterling pensions.

935. Are there many other officers in the Public Works Department in a similar position to yourself?—Not many, I think, except in one particular. I am in the peculiar position of having been given the better pension rules, and still having been left under the unfavourable leave rules. There are a few of us in that position; not many, I think.

936. You say that your own case is special. How does your position in reference to the payment of your pension at the official rate of exchange differ from that of other officers of the Department?—No, not as regards pension. I have nothing specially peculiar as regards that.

937. Have you anything special as regards your leave rules?—Only this, that I am still under the unfavourable leave rules, and I look on that as a great grievance; and there is the peculiarity in connection with it, that I and a

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Chairman—continued.

few others have been given the better pension rules, but we are still under the unfavourable leave rules.

938. Were you entitled to any furlough when you entered the service in 1872?—I am under the same pension rules, but I am still under the so-called unfavourable leave rules.

939. Were you entitled, when you entered the service in 1872, to any furlough?—Do you mean in my previous service with the Great Indian Peninsula?

940. No; according to the rules on which you entered, were you entitled to furlough at all?—Oh, yes.

941. Were you entitled to count any of your furlough towards pension?—No.

942. You are at present, I suppose, on furlough?—I am on furlough at present.

943. Are you on furlough in consequence of your health?—Yes, entirely so, or nearly entirely so.

944. Then the whole of the time which is spent upon furlough is lost for the purpose of earning a pension, is it?—No; the two things in my case get curiously intermixed in this way; that I have been given the better pension rules, with, as Government declared, all the benefits that belonged to them; and amongst those benefits is this, that I can count two years' furlough in 20 years' service, three in 25, four in 28, and five in 30; but under my leave rules (the unfavourable leave rules), I can only claim two years' furlough in the whole of my service.

945. You may have two years' leave?—I may have two years' leave.

946. Those two years' leave may count under the rules for pension?—Quite so; but the unfavourable leave rules do not allow me to take more than two years' ordinary furlough in the whole of my service.

947. Your furlough counts as pensionable service; but under your leave rules you cannot have more than two years' furlough altogether?—That is ordinary furlough. In addition to that, one possibly might have furlough on a medical certificate, but that is not furlough you can claim in any way.

948. Would that count towards pension?—That has not been settled. I presume it would, and I hope it would. I think it is very possibly doubtful whether it would or not.

Sir William Plowden.

949. Nobody understands the civil leave rules, except those who have to administer them, I suppose?—There are very few people who do entirely understand them, even in the accounts' branch.

Mr. Howorth.

950. What grade did you join; of course you came in as an outsider, employed already on an Indian railway?—I joined as first grade assistant engineer.

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951. Is

15 July 1890.]

Mr. DANGERFIELD.

[Continued.]

Mr. Howorth—continued.

951. Is it possible for one to get at a comparison between your position on the Great Indian Peninsula Railway, and your position now. Had you special leave on that railway. Was there a pension in the first place?—No, but there was a very valuable provident fund which is in many respects far superior to a pension, because the pension dies with one, and one's family get no benefit from it; whereas the provident fund, as appertaining to the guaranteed lines, is very valuable indeed.

952. That fund is largely composed of your own contributions, is it not?—Only about half. On the State railways the bonus averages about cent. per cent. The bonus given on the guaranteed lines, I believe, is still greater, and it is absolutely the property and part of your estate; that is to say, if you die your family get it; but the pension, as I know only too well, absolutely dies with you; or if you die before the time at which the pension becomes due, your family cannot claim it; they are entitled to nothing whatever.

953. But about leave, what do you say?—My leave was very much better on the Great Indian Peninsula Railway than it is under the unfavourable leave rules under which I am at present placed. The leave rules of the guaranteed lines apply not only to officers, but to European subordinates also. As to Europeans, they give a very liberal interpretation as to what "European" means.

954. Could you give a concrete explanation of what you are saying now, shortly?—Yes; I can show that on the Great Indian Peninsula Railway, for instance, and the railway that I am now connected with, the Indian Midland (lent to them by the Government), the rule is one year after seven years' service, or one year in seven, that would give about three years in 20. Whereas with the rules I am under now I cannot get more than two years in 30 years. The rules I am under are also most irritating in their restrictions. Not only is there the small amount of leave in all (two years in 30), but you get a year after 10, or anything less than that you like, and subsequent to that you can take no more furlough for eight years. It does not matter how pressing you may require to be at home, you cannot get home on furlough, although you have furlough due to you in less time than that. Take another point as illustrating that still further. If you take no ordinary furlough at all, up to 18 years' service, you can then take two years at one time, but if you take it in 17 years 11 months 29 days, you can only get the year. The furlough I am on now, is almost a case in point. After 17½ years I can only get the year. If I had waited for the complete 18 years, I could have taken two years. These restrictions are almost as bad as the small quantity of leave admissible under the rules themselves.

955. Then, as I understand, if you had remained in the employ of the Indian Railway, you would have been in a better position with regard to pension and leave than you are now?—I cannot say as to pension, because pension is entirely a matter of the future. It depends upon whether I live to get a pension, but if I had remained with the Great Indian Peninsula Railway, I should have had a heavy sum in

Mr. Howorth—continued.

my provident fund, of which at least half would have been contributed by the company, and not deducted from my pay.

Mr. Bristow.

956. On that point I suppose you really left in order to please yourself. It was a voluntary act on your part, was it not?—It was a voluntary act. I left on the advice of friends in the Public Works Department, many of them highly placed officers, who then expected that a career in the Government service would be a much more profitable one for me than I should have attained to if I remained in the Great Indian Peninsula Service.

Sir William Plowden.

957. You were speaking about your leave rules just now; is it a fact that you have served 17 years, and would have been entitled to two years' furlough if you had waited a little longer, and that you only get one year now?—Yes, I can only get one year now. I am talking of ordinary furlough, and at the time leaving out of sight any question of furlough on medical certificate.

958. And the remainder of your service, the seven years, or I will not say seven years, but if you had served eight years more you would have been entitled to another year?—I should have been entitled to another year, or any less quantity.

959. Shall you not be entitled to another year?—Yes, but when I come to the conclusion of my present furlough I cannot take any further furlough for another eight years. Although I have been 18 years under Government, and about 21 or 22 years in India, after the conclusion of my present furlough I must put in eight more years in India before I can get any more ordinary furlough.

960. Is not there a rule of something of that kind in almost all the services?—Oh, no, quite the reverse. In fact, I think you will find on the guaranteed lines they allow you every seventh year or every eighth year, I forget which, and there are no such restrictions about long intervals between leave as in the Government service under the unfavourable leave rules. In the Government service you get your first leave after 10 years. The guaranteed lines give the first furlough after seven years. After that there is a regular debtor and creditor account kept of what you have and what is due. You have so much furlough to your credit and you can take so much at intervals of three years. Three years is the minimum you have to serve before you can take another piece of furlough. On the guaranteed lines there are more favourable leave rules than the Government service unfavourable leave rules. Under my leave rules I have to serve eight years between furloughs.

Mr. King.

961. When you joined in 1872 you had no warning or intimation that you would not get any improvement of the rules?—No, that is what I feel particularly hard. Men in my own class, who joined a few months

15 July 1890.]

Mr. DANGERFIELD.

[Continued.]

Mr. King—continued.

months before me, have been given the benefit of the more favorable leave rules, while this benefit has been denied to me and others like me without any apparent reason.

962. Has any reason been given why you were exempted from them?—No, none whatever. It is apparently an accident. I went on for three-and-a-half years until April 1876, anticipating that these better leave rules would be given to all of us. In April 1876, the orders of the Government were issued on which the concession was given to officers who joined previous to the 3rd January 1872, I think that is the exact date. I joined in November 1872, consequently, I was not given the better rules; but officers of exactly

Mr. King—continued.

the same standing as myself, who had entered the service under exactly the same conditions, a few months previously obtained the benefit of the better rules.

Chairman.

963. Can you tell the Committee in two words why you have not got the more favourable leave rules?—I cannot beyond that. I have petitioned about it, and received replies that the Government were unable to concede them, and so on. I know the Government of India have strongly recommended that officers of my class should get the benefit of them.

Mr. JOHN ELSTON, called in: and Examined.

Chairman.

964. WHEN did you enter the service of the Government?—In October 1871.

965. How did you enter?—Through Roorkee College.

966. By competitive examination?—Yes; by competitive examination.

967. When you entered the service did you enter the service subject to the leave and pension rules then in existence?—Yes; I joined under the rules and regulations in the Public Works Code.

968. Have you anything to add to the evidence which has been given, first of all, relating to the depreciation of the rupee?—No, I do not think so. I think all I could say has been said before.

969. Now about your leave rules and pension rules, what have you to say?—We have been excluded. Men that joined in 1871 were excluded from the new leave rules that were granted in 1873, and also from the improved pension rules that were granted in 1884 to the Department as a whole, at least we understood so.

970. Do you not then share in the improved rules of 1884 at all?—No.

971. Not at all?—No, not at all; not in any way.

972. Why are you excluded?—I have not the faintest idea.

973. Have you had any reason given you?—None whatever. I have memorialised the Government twice, and have received no reply.

974. Have you any idea why you are excluded from the more favourable leave rules?—None whatever.

975. Have you memorialised the Government about that?—Yes. On one occasion I memorialised the Government about the new leave rules, when I found I was excluded; and a second time about the new pension rules, when I found I was excluded from them.

976. Have you had any reason given in either case?—None whatever. The Government of India said they were acting under the orders of the Secretary of State, and that they were unable to comply with my request.

977. Are you on leave now?—Yes.
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Mr. Bristow.

978. Are you paid at the rate of 1*l.* for 10 rupees?—No.

979. You are not under that?—No. That is a question I should like to refer to.

Chairman.

980. If you have anything to say that is new upon that, or which has not been stated before, please state it?—The 2*s.* to the rupee was granted on the interpretation of the code as it existed in 1871, and as I joined in 1871 I think I am fairly entitled to the same interpretation of the code.

981. What makes you say that the 10 rupees to the pound sterling was granted on the interpretation of the code; is that what you have heard, or how do you know it?—Because the extracts in the prospectus of the Cooper's Hill College are simply extracts from the code. I may be mistaken, but that is my idea. I think if you refer to the code that was in force in 1871, you will find the extracts in the prospectus are word for word the same as in the code.

Mr. Howorth.

982. What number of men are there in the same position as yourself?—I should say roughly between 20 and 30 of the men that joined before 1871.

983. Were you domiciled in India?—No.

984. You were an Englishman and went out?—Yes, and I intend to come back too.

985. Were the conditions of entry more difficult at Cooper's Hill than at Roorkee at that time, so far as you know?—I should be very sorry to give an opinion about that. I should say no, myself. We passed a competitive examination both for entrance and for coming out of the college. We were made to go for a year's practical training on the works, and before we were promoted to third grade assistants we were made to pass an examination similar to everybody else in the Department; and in every way the same test has been required from us as has been required from those who have received the better leave and pension rules.

986. I suppose a large number of your men were domiciled in India?—I cannot say. The greater
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15 July 1890.]

Mr. ELSTON.

[Continued.]

Mr. Howorth—continued.

greater part of the men at Roorki in my year were certainly not domiciled in India. About the others, I know nothing.

987. You are aware of course, that a great distinction is made in the old rules between men domiciled in India, and men who went out from the English colleges?—No; before 1871, I do not think there was any distinction made; there was one set of rules and regulations in the department as a whole; and my grievance is that those rules were improved and I was excluded from them, although as I said, I joined under exactly the same conditions of leave and pension as everybody else. They were suddenly altered, and of course those who got the benefit of the new rules were placed in a better position than I was, and I was, as it were, relegated to a sort of inferior service for no reason whatever that I know of.

Viscount Baring.

988. Do you count furlough as service for pension now?—No.

989. You will not benefit except as regards pay by the alteration of 1884; your condition was improved as regards pay, was it not?—I do not see how.

990. Not by the alteration made in 1884?—No; the alterations made in 1884 were improved pension rules; as far as I understand we have been absolutely excluded from them.

991. Have you benefited in no way whatever?—In no way whatever.

Sir William Plowden.

992. You say you were relegated to a sort of inferior service; that I suppose applies only to this pension and furlough?—To pension and furlough.

993. In all other respects you are on the same terms as those enjoying better pension and better furlough rules?—Yes.

994. Is it a fact that some of those gentlemen may come under you as subordinates?—Certainly; they have been. My own assistant was given the better pension rules, and of course he was in a sort of superior service at once.

995. Are any of the men appointed from Roorki now, or who have been appointed from Roorki since 1871 getting the benefit of those better rules?—I do not know. I believe some have been appointed as superintending engineers, and it is said in the improved pension rules that anybody who rises to the post of superintending engineer may, as a favour, be allowed the benefit of the improved pension rules.

996. That must be a man appointed from Roorki, long before 1871?—Long before. No man of 1871 has the slightest chance of getting it now.

997. I am speaking of men appointed after you from Roorki, are any of those getting the benefits?—Yes, one man.

998. Do you know what his case is?—Before he went out to India, and went through the college at Roorki, he was then in an office at home, and had had a certain training here, and that was considered a sufficient reason to give him the benefit of the improved pension rules.

Sir William Plowden—continued.

999. You do not understand why it is that you are not given the improved pension rules?—I do not. I have asked for reasons so as to know what to say in reply, but absolutely no answer has been given beyond stating that my request could not be complied with.

1000. Have you brought your case to the notice of the Secretary of State recently?—Yes; I had a reply last year. When the final orders came out about the improved pension rules, I memorialised the Governor General, and the reply I received to that memorial was, that the application of the improved pension rules was strictly in accordance with orders received from the Secretary of State. Then I asked that my petition might be sent on to the Secretary of State, and it was sent on, and some time last year I received a reply from the Secretary of State in which he said that he was unable to comply with my request.

Mr. King.

1001. Previous to 1873 there was absolutely no difference in the pension and leave rules between those who were Stanley engineers, those who came through Cooper's Hill, or those who came through Roorki, was there?—Absolutely none.

1002. And many of those who entered at Roorki would have done so through Cooper's Hill if they had known that subsequently a distinction was to be made between the two, would they not?—Certainly; I know of two or three cases, my own too. We certainly would not have gone through Roorki if we had thought there was to be any difference made by rules with a retrospective effect.

1003. There is no practical difference between a training at Roorki and Cooper's Hill, is there?—If you ask my opinion, I say no.

1004. I am asking your opinion—I say no.

1005. And there is no difference made in the appointments of the Roorki men and the Cooper's Hill men?—They are appointed at once as second grade assistants.

1006. I do not mean in that, I mean in selecting for promotion?—No, we are all on the same list.

1007. It was only in 1873 that you became aware suddenly that you were to be treated as of a different class?—Yes, in the matter of leave only, on that occasion.

1008. You have never had any explanation of that?—Never; and it was never intimated in any way. I should like also to point out that the circular issued to everybody in the Department in 1869, made no reservation with regard to any class whatever. It simply said it was under consideration to improve the prospects of the whole Department; and as they issued this circular to everybody in the Department, one would naturally suppose that it meant the Department as a whole.

1009. You never received that circular, did you?—No; but of course I should know of it. I should know that there was such a circular in existence, and that it was under contemplation to improve the leave and pension rules.

15 July 1890.

Mr. THOMAS ELLIS OWEN, called in; and Examined.

Chairman.

1010. WHEN did you enter the service of the Government of India?—I entered the service in 1861.

1011. After competitive examination?—After a competitive examination.

1012. Are you a Stanley engineer?—Yes.

1013. What have you to add to what has already been said to-day?—Well, I have simply got to state that I was attracted by the advertisement offering appointments to civil engineers, and having applied for regulations which would govern engineers when I joined that department, I considered them. I entered in 1861 for this examination, and passed the same in the first 11, out of about 30 or 40, signed a covenant, and proceeded to India. On my arrival in India I found the conditions of service not what (as appeared to me) they had been represented in the prospectus, in many ways.

1014. You are one of those described by Mr. Read as discontented engineers?—Most certainly.

1015. Up to 1869?—Yes.

1016. What prevented you leaving the service?—I stopped on for some time hoping for better regulation; and after reading that promise made in 1869, it certainly satisfied me and the Department for some years. We all thought that we should have rules such as we considered we were entitled to when we entered the Department.

1017. You have had improvements made in your positions, have you not?—Very slight indeed. What has been given with one hand has been taken away with the other.

1018. As to the fall of the rupee; have you any special ground of your own to urge?—I have only to say that the depreciation of the rupee by stopping retirement has very much retarded promotion; I might give my own personal experience to prove that as an instance of the Stanley engineers.

1019. I am afraid the question of promotion we cannot go into?—It is simply as affected by the depreciation of the rupee. It shows that when the rupee was at 2s. the promotion was steady; as the depreciation came lower and lower, so worse and worse became promotion.

1020. In that respect of course it is relevant?—In the course of 29 years' service I received my first step in six months; my second step in three years and three months; my third step in two years; my fourth step in one year; my fifth step in four years; my sixth step in six years; and my last step in 12 years. I attribute this very much to the absolutely inadequate furlough pay and pension that men have to look forward to at present which force them to remain in the service as long as ever they can.

1021. Have you anything to say upon the subject of furlough?—In addition to what has been said by other witnesses with regard to the improved rules of 1884 (which I do not think have been quite understood) these improved

0.135.

Chairman—continued.

rules simply relate to pension and not to pay or furlough allowance in any way. They simply relate to pension, and I think these so-called improved rules have been very much exaggerated. The improvement in them has been very much exaggerated.

Mr. Buchanan.

1022. As I understand, you have got the benefit of those 1884 rules; you said just now that what had been given with one hand had been taken away with the other; what were you referring to then?—Under those rules we are allowed to take a pension sooner than under the old rules, but by getting our pension paid in this depreciated coinage we are not able to take our pension.

1023. That is not a change made by the rules?—So far, as by the rules, we receive our pension at the rate of exchange instead of in sterling.

1024. Yes; but you never received it in sterling?—We cannot receive our pensions until they are due.

1025. None of those in the same category as yourself ever did?—I am not aware of any Stanley engineer who as yet voluntarily retired on pension. There may be such cases; but I am not aware of any.

Mr. Bristowe.

1026. You have nothing to allege against the Government generally, except this unfortunate fall in the price of silver, I imagine; you have no special grievance; all your grievances arise out of that whether it is furlough pay or pension, or even promotion to which you have alluded; I mean you do not consider that the Government have broken faith with you; that is the point?—I think they have broken faith as regards our emoluments, which include our pay, pension, and furlough allowance.

1027. You agreed to it on the basis of the rupee, and nobody foresaw the fall that would take place in the rupee?—In my prospectus the pension is stated in pounds; 400 L. or 4,000 rupees.

1028. There is nothing different in your case to that of the other gentlemen, is there?—The same as the covenants of the Stanley engineers up to 1864. After 1864 a new set of rules was introduced.

Mr. Howorth.

1029. You seem to argue that the different steps which you have gained in the service, being separated by long intervals of time as you progressed in the service, depended very much upon the stagnation caused by the fall in the rupee?—Very much so.

1030. Is it not the case that always in the higher grades the steps are very much more slow, and naturally more slow?—It has not been so in our Department.

1031. Mr.

14

15 July 1890.]

Mr. OWEN.

[Continued.]

Mr. King.

1031. Mr. Bristowe asked you whether you had any complaint to make as to the Government having broken faith with you; you would consider that they have not fulfilled the hopes held out to you by the circular of 1869, would you not?—Most certainly.

Mr. King—continued:.

1032. That is as regards the inequality of emoluments with other members of your profession?—Certainly.

1033. That is one of the grievances you allege?—Yes.

Mr. FREDERICK ROBERT UPCOTT, called in; and Examined.

Chairman.

1034. WHEN did you enter the service of the Government of India?—In December 1868.

1035. How did you enter?—By competitive examination at the India Office as a Stanley engineer.

1036. Have you anything to add to the evidence which you have heard given by other Stanley engineers, who have been in the witness box?—I should wish to reiterate what Mr. Fenner said. I consider that my prospectus should be read with my covenant when I entered the Government service; and that in respect of furlough pay, the fact of the Stanley engineers having no covenant at all and my being safeguarded with a covenant, it appears to me very extraordinary that I should be the loser by it, merely in the matter of furlough pay. I should wish also to speak to the discontent which pervades the Department in India, owing to the great number of men holding the same divisions,

Chairman—continued.

doing the same work, and having different rules of service and different pay and pension.

1037. Is it a fact that when you first entered the service these differences did not exist; were you all treated alike as regards leave and pension rules?—Yes; we were all treated alike.

1038. Then the difference have grown up in the course of your service?—Yes; of course directly the circular of 1869 was given to every engineer, we have always hoped and expected that we should be put on an equality.

1039. Are you inferior to other engineers in any other respect than in not getting your furlough paid at sterling rates?—I am not inferior to any other civil engineers; I am immensely inferior to the Royal Engineers, who do the same work and with whom we were promised equality.

Mr. King.

1040. You have the rules of 1884?—Yes; I am under the rules of 1884.

Mr. WILLIAM JOHN GREER, called in; and Examined.

Chairman.

1041. WHEN did you join the service of the Government of India?—In September 1872.

1042. How did you join?—First as a subordinate.

1043. In what way did you join?—From Roorki.

1044. Have you got anything to add to the evidence given by your colleagues who have appeared here to-day, particularly the gentleman from Roorki?—I do not think I have except that my case is rather worse than his, owing to sick-leave and furlough. I cannot get any more furlough and all that sort of thing.

1045. You have had a good deal of service which is not counted for pension at all?—Yes.

1046. Will you just tell the Committee what that is; how long were you at the College after appointment?—Two years, very nearly; 22 months. I served for 13 months before I rejoined.

1047. And then, how long sick-leave have you had?—Two years and three months.

1048. How long furlough have you had?—I am now on the only furlough I can get; that is one year.

1049. That makes how much service which will not count towards pension?—Six years and four months, out of what will be 18 years, and eight months when my furlough is up, on 18th April 1891.

Chairman—continued.

1050. Except that, have you anything to add that has not been already put before the Committee?—I do not know whether Mr. Elston stated that the Despatch of 1876 had a retrospective effect; if he did, I have no more to say; if he did not, I wish to state that.

1051. Is that stated in the case?—I think it is.

1052. Can you refer us to the statement; is it the Despatch of 1876 that you say has a retrospective effect?—It refers to the men of 1871. I mean the Marquess of Salisbury's Despatch.

1053. Look at page 153?—That is the one.

1054. Our attention has been called to that?—Then I have nothing further to add.

Mr. Howorth.

1055. What proportion of domiciled Englishmen were at the College of Roorki when you were there?—In my year, I suppose, out of four-and-twenty, there were about 10 pure Europeans like myself, non-domiciled; and the rest were domiciled.

1056. Of course, the domiciled Indians would not require this furlough?—Well, I do not know. I do not think they stand the climate as well as we do; they do not seem to have the same physique that we start with.

1057. You

[Continued.]

Mr. GREER.

15 July 1890.]

Mr. Buchanan.

1057. You entered the service by competition?—Yes.

1058. Did you compete with Englishmen only, or with Englishmen and natives?—Englishmen and natives.

Mr. Howorth.

1059. Eurasians, I suppose?—And pure natives too.

Mr. King.

1060. Did you hear what the previous witness said as regards the fact that had he known a difference would be made between Roorki and Cooper's Hill men, he would have gone to Cooper's Hill?—So would I.

1061. Would you repeat that which he said?—Certainly.

Thursday, 17th July 1890.

MEMBERS PRESENT:

Mr. Barbour.
Viscount Baring.
Mr. Bristowe.
Mr. Buchanan.
Sir John Gorst.

Mr. Howorth.
Mr. King.
Sir Stafford Northcote.
Sir William Plowden.

THE RIGHT HONOURABLE SIR JOHN E. GORST, IN THE CHAIR.

MR. STANLEY DE BRATH, called in; and Examined.

Chairman.

1062. WHEN did you enter the service of the Government of India?—I went out in 1877.

1063. My question was, when did you enter the service?—In that year. We were gazetted into the service on leaving Cooper's Hill.

1064. You gained your appointment by competition at Cooper's Hill?—By open competition.

1065. Do you claim a sterling pension?—Yes.

1066. Is your claim to a sterling pension based upon verbal representations made to you at the India Office?—No, I should prefer to say that my claim to a sterling pension was based upon what I understood to be the promises of the Government as throwing light upon my prospectus.

1067. On what evidence or grounds did you understand the Government to qualify what was stated in your prospectus?—I considered that the Government had explained what was in my prospectus.

1068. By speeches in Parliament, by advertisements in the newspapers, by representations at the India Office, or how?—By the declared intention in the Despatches of the Secretary of State. I consider that my prospectus, in naming 10 rupees to the pound sterling, and in giving sterling quotations, was at variance with the Despatches and other public documents, and unless the sterling valuation were held to be the correct one.

1069. Did you hear what Mr. Jenkins stated about that on the first day the Committee met?—Not with regard to the Despatches themselves.

1070. Have you read Mr. Jenkins' evidence?—Yes.

1071. Have you anything to add to Mr. Jenkins' argument from those Despatches?—No, not as regards the Despatches on pensions. I refer to the Despatches promising equality between Civil Engineers and Royal Engineers. These Despatches bear particularly upon the Public Works Department case, which was, I believe, not very fully stated by Mr. Jenkins.

1072. Are you one of the gentlemen who Mr. Read told us were discontented with

their position when they got to India?—When I found that my emoluments were quite 70 L. a year less than I had understood, and that there was very little chance of rising in the Department, I naturally was not very contented.

1073. Were you induced to remain in the service by the Minute of Sir Andrew Clarke, and the Despatch of 1879?—Several of my friends and I met and conferred on the subject, and we decided to look for employment elsewhere if it could be obtained. Shortly after that the Civil Engineers' Association, which had been formed for the purpose of representing and getting into order the claims of the civil engineers, sent me a copy of Sir Andrew Clarke's Minute, and I inferred from that that Government was taking action on the whole of the questions that had been raised, and that therefore it would be foolish to throw up my appointment.

1074. I believe you also are dissatisfied with your promotion, though that is not within the terms of the reference?—It is directly retarded by the falling of the rupee.

1075. Have you anything to add to what has already been stated by so many witnesses, about the depreciation of the rupee checking the flow of promotion?—In principle, no; but I do not know whether the Committee understand how very severely that has operated. I should like to state how very severely that has operated in my own case.

1076. If you will state your own case briefly, as an illustration, the Committee will be glad to hear it?—My case is that of the men who went out with me; individually I have nothing to complain of. On the forecast of promotion which was sent out to the early candidates of Cooper's Hill, and which will be partly found also in the Stanley prospectus, a man might reasonably infer that he would attain to the top grade of executive engineers in 16 or 20 years. I have now been in the service 13 years, and instead of gaining a step every two and a half to three years, as my prospectus and appendix led me to anticipate, I have only had one

17 July 1890.]

MR. DE BRATH.

[Continued.]

Chairman—continued.

one step of permanent promotion in the whole of this time. The result is that my salary, which was stated to me as beginning at 420 L. when I went out, is now at the current rate of exchange only about 450 L. after 13 years' service; and had I received the promotion which would naturally have resulted from the Government of India's forecast I should have been drawing nearly 1,000 L. Of course I need not say that my duties are just the same.

1077. Have you anything to say to the Committee upon the subject of the leave and pension rules which has not been stated already?—I would say again the same thing, that I do not think the Committee are fully aware (I have not heard it brought out in evidence) how hardly the leave rules bear, there being no fixed minimum, on the men who come home. In the last furlough I took, my leave allowances, after six years' service, were actually insufficient to pay my mere passage out and home. They amounted to 105 L.; 105 L. is not sufficient to cover the mere expense of the journey. Leave allowances depend upon promotion. They are calculated as fractions of pay, and, therefore, they depend directly upon promotion.

Mr. Bristowe.

1078. I understood you to say that when you got out you had 70 L. a year less pay than you expected; how do you make that out?—In converting it at the current rate of exchange. The salary in rupees was perfectly correct; but, inasmuch as every Indian resident, who is a native of England, has to purchase a great many things which are only ultimately paid for in gold, of course that affects the value of his salary out there. I received the salary which was duly quoted to me in rupees. I do not want to make any particular grievance of that, except this: that the upshot of the whole to me was that my emoluments were considerably less than I anticipated when I went into competition.

1079. I understand you to say that the prospectus led you to expect promotion in from two and a-half to three years; have you any references to that?—The only references I have to that are the tables of promotion which are given in the Stanley covenants, or the Stanley prospectuses, which were continued to us in an amplified form.

1080. Have you got a reference to that on the case?—They were sent in the form of a leaflet. It will be found at page 117, Appendix B. 3.

1081. I see underneath it says: "From various causes the promotion in the past has been somewhat more rapid than may be expected in the future;" there is a memorandum to that effect?—Precisely so; and I think it will be noticed, if you look through it, the length of service from grade to grade is two years and six months, one year, two years, then three years; again, five years and five months, and so on, so that, making allowance for promotion being somewhat less rapid, I have taken two and a-half to three years as being the time that might be expected. This table would average out to something like two years.

1082. This was the prospectus on which you

0.135.

Mr. Bristowe—continued.

entered Cooper's Hill, was it?—That was a small document appended to the prospectus.

1083. This is an exact copy of it, I suppose?—No, it is not. An exact copy has not been procurable. I have no doubt it will be procurable from the India Office, but this is as near as can be got except in that way.

1084. Have you any extra evidence to show that you were entitled to expect payment in sterling when you came home on leave and pension?—No, I cannot say that I have. Other witnesses have said all that I should have to say upon that point. I took the prospectus as it stood; it never occurred to me, in fact, that it would be otherwise.

1085. Then your whole grievance is based upon the fall of the price of the rupee; that runs through everything, the pension, the pay, the furlough allowances, and promotion, all are based upon the unexpected fall in the rupee which neither you nor the Government anticipated?—Yes, certainly; that runs through everything that is within the scope of the present inquiry.

Mr. Barbour.

1086. I understand that your anticipations of promotion have not been realised?—That is so.

1087. Is there any change in the condition on which your branch of the service works that accounts for that, I mean any change on the part of the arrangements of the Government or of the service out there?—New regulations which affect promotion have frequently been brought in, but the object of all of them has been to encourage retirement and so to give promotion.

1088. Then, if I understand rightly, these are not adverse to your view of the case, they are rather in favour of what you would like to see brought about?—Yes; there have been no regulations introduced which have been in themselves adverse to the Civil Engineers, and on more than one occasion favourable regulations have been brought in, notably the Rules of 1884.

1089. Then, as a matter of fact, I suppose you regarded what was placed before you before you went out too favourably, expecting too much from it?—I should hardly be prepared to admit that I did expect too much, because the emoluments that were obtained or that were held out to us were only to be got after a very severe competition; and we were most distinctly told, both in Parliament and by officials at the India Office, that the service was in all respects on a level with the military service. I do not think I could be said to have interpreted the scale of emoluments too favourably.

1090. I cannot very well understand how they have not come out unless you, so to speak, misread your contract; you do not seem to find fault very much with the Government in the way of contract or in not applying properly the conditions made?—I think the Government might have relieved its servants of the consequences of the exchange when it was stated in the contracts to be 10 rupees to the £. sterling, by carrying out its promises of equal emoluments with the Royal Engineers serving in the Public Works Department.

1091. You are aware that that has not been made out to us, are you not?—I am.

K 2

1092. What

17 July 1890.]

Mr. DE BRATH.

[Continued.]

Viscount Baring.

1092. What is your position now?—Assistant engineer, first grade.

1093. How many years' service have you got?—I am in my 13th year of service. I have just closed the 12th year of service.

1094. You were led to believe by this leaflet that you would be assistant engineer of the first grade in the second or third year of service?—Certainly; and had that promotion been attained, most of us could have borne with the other grievances that we have had.

1095. If you had been in the position of executive engineer of the second grade you would have been drawing 1,000 rupees?—Of the first grade I should have been drawing 1,000 rupees.

1096. Whereas now you are drawing how much?—500 on full pay.

Mr. King.

1097. You had some doubts whether you should go into the Public Works Department from Woolwich or Cooper's Hill, had not you?—Yes, I went up specially to obtain advice on that point.

1098. Where?—To the India Office.

1099. And who advised you to select Cooper's Hill?—I believe it was Mr. Thornton, but I sent in my card and I was shown upstairs into one of the rooms, and this gentleman gave me a prospectus and advice, which I believe was perfectly sincere.

1100. What was the advice he gave you?—He said that if I wished to be a civil engineer and to work in either the Colonies or India he could conceive no better opening than Cooper's Hill for such a career; but that if I wanted to go into the Army as a soldier, of course, Woolwich was the thing. If I wished to go into the service of the Government of India as an engineer, Cooper's Hill was undoubtedly the right gate of entrance.

1101. You have had some military service, have not you, in spite of it all, practically?—Yes; I have been actually under fire.

1102. Military engineering work?—I was over the frontier in the Afghan War of 1879. That was really entirely military service.

1103. You had to go armed and with a military guard, had you not?—We had a military guard, and were ordered to go armed by the Government.

1104. You were subsequently engaged on the Bolan Expedition, and subject to a malarious climate?—Yes.

1105. Insurance companies took a very unfavourable view of the gentlemen who were sent on that duty, did they not?—They did. They asked 150 l. for 2,000 l. insurance for one year only.

1106. Mr. Barbour asked you a question as to whether you had taken too favourable a view of

Mr. King continued.

the rules of the service when you entered. Have you stated all in regard to that that you wish to say: were there not Despatches of 1869 and Sir Andrew Clarke's Minute which influenced your mind too?—Not at the time when I entered the service. I must frankly say that the 1869 document itself was not known to me when I entered the service. But what I did read was the statement in Parliament that the two services, civil and military, were to be precisely on a level, and I regarded that as perfectly final.

1107. I mean it is not simply the question of the depreciation of the rupee, is it?—Not only that, but the equalisation promises.

1108. It is also a question of emoluments generally, is it not?—Emoluments generally as between Civil Engineers and Royal Engineers in the same service. At the same time, as I stated in reply to the gentleman on your left, had the depreciation of the rupee not occurred we could have put up with other grievances.

Chairman.

1109. Do you know that even now there are some infatuated young men who prefer Cooper's Hill to Woolwich?—I doubt if they are very fully aware of the prospects in India.

1110. You think they are unwise in their preference?—I do, most certainly.

1111. But you do not deny that the preference exists?—The number of appointments now annually given from Cooper's Hill is so very small that I can readily understand that there are plenty of men to fill them; at the same time I also believe (and I have been told) that some of the best men at the top of the College have preferred to take private employment to entering Government service.

1112. Then if a young man who had passed the Cooper's Hill examination and was entitled to an appointment in the Public Works Department were offered a commission in the Royal Engineers, you would think him very foolish for not accepting it?—Very.

1113. Do you know that a year ago there were a good many young men who committed that act of folly?—I know of three who committed that act of folly, certainly, who were offered appointments in the Royal Engineers.

1114. And would not take them?—And would not take them.

1115. Because they thought the Cooper's Hill career the most advantageous one?—They had gone through the Cooper's Hill course, I believe.

1116. They thought that career was more advantageous?—They thought that career was more advantageous, just as I did. All I can say is that I do not think they knew the conditions. They will probably discover their mistake, as I did.

17 July 1890.

Mr. R. R. MENNEER, called in; and Examined.

Chairman.

1117. Did you enter the service of the Government of India through Cooper's Hill?—Yes.

1118. By competitive examination?—Yes.

1119. In the year 1875?—In the year 1875.

1120. Have you anything to add to the evidence which has been given by the former witnesses whom we have heard?—Mine is a similar case to Mr. De Brath's. I may add that I was expecting to draw 420 l. at starting. I am barely drawing that now. I have about 12 years of service.

1121. When you say you expected to draw 420 l. at starting, do you mean that you expected your rupee salary would be convertible into that amount of sterling?—I was at a private school and the master evidently took it from the prospectuses of 1870 to 1874; and I think anyone not acquainted with Government official documents would certainly read 420 l. as the starting pay in the service.

1122. Were you aware when you joined that you were to be paid in rupees and not in sovereigns?—Yes; the note said: "10 rupees are equivalent, or nearly equivalent, to one pound sterling."

Mr. Bristowe.

1123. It said "nearly," did not it?—"Nearly."

Chairman.

1124. Your school had not studied the subject of bi-metallism, perhaps?—No, they had not in those days.

1125. What is your grade now?—First grade assistant engineer.

1126. Then you are in the same position as the last witness?—Yes.

1127. How long service have you had?—Nearly 12 years.

1128. Have you anything fresh to say about leave and pension rules beyond what has been already stated?—I speak on behalf of the 1875 men, and in the calendar published in Cooper's Hill, which is published under authority, and which I procured immediately after the examination was over, there is no mention whatever made of the current rates of exchange between the two Treasuries. Although it was introduced in the India Office it was not introduced in the Cooper's Hill Calendar until 1876, which was the year after I entered the college. The India Office Calendar I merely procured to know what subjects to take up for examination, and I felt bound by all the rules published in the Cooper's Hill Calendar, which was posted at the top, "Published under authority," and every student was directed to be provided with one of those. And upon that point I wish the 1875 men to be placed on exactly the same footing as those of 1874.

1129. The men of 1870 to 1874 are paid furlough pay now at sterling rates?—Yes; and I request that the 1875 men should be included in the alteration as to sterling rates.

0.135.

Chairman—continued.

1130. You claim that the 1875 men should be paid in sterling and on the same ground?—Yes. I remember well the rate of promotion which was given in the leaflet which we have not procured, I believe, from the India Office, but I distinctly remember it.

1131. Have you asked for it from the India Office?—I believe it has been asked for by the association.

1132. What reply has been given?—I believe it is that they cannot find it.

1133. According to that leaflet your promotion has not been as rapid as you expected?—No; I have had one step from second grade to first grade assistant, which brings me up after 12 years to about what I expected at starting.

Mr. Buchanan.

1134. You are one of the 1875 Cooper's Hill men?—Yes.

1135. Then your peculiar position is this, is it not, that you took service under the prospectus of 1875, in which for the first time was introduced the proviso that in making payments at the Home Treasury, rupees are converted into sterling at the rate of exchange fixed for the time being for the adjustment of transactions between the British and Indian Exchequers?—That is in the prospectus, and not in the Calendar of 1875.

1136. It was put in the prospectus in that year for the first time?—Yes.

1137. Substantially your principal claim is that you should get the favourable furlough pay that has been granted to the 1870 to 1874 Cooper's Hill men?—Yes.

Mr. Bristowe.

1138. I understand you to say that you entered in 1875; does that mean that you went to Cooper's Hill, or that you commenced your 12 years' service in 1875?—Entered Cooper's Hill.

1139. Your service did not begin until 1878, I suppose?—1878.

1140. So that when you say you entered in 1875 you did not enter the real service until 1878?—In 1878 I entered the service.

1141. Which was three years after entering the college?—Three years after entering the college, and it is the general thing with about 12 or 13 years' service to go up one step of promotion. I have not been superseded except by Royal Engineers.

1142. What do you understand by that, then; that they are placed over you?—Some go away for about 14 years, then come back and join the Department. They will go into the Military Department and be promoted there, and then come back and join with the promotion they have obtained in their own Department.

1143. Then do you make out that the Royal Engineers are unfairly placed over the Civil Service?—I think so; it was only just a chance that I did not go into Woolwich myself. Had I known what I now know, I would most certainly.

K 3

1144. With

17 July 1890.]

Mr. MENNEER.

[Continued.]

Sir Stafford Northcote.

1144. With reference to that Appendix B. 3. and the statement that "from various causes the promotion in the past has been somewhat more rapid than may be expected in the future," I should like to know whether you made any inquiry as to what those causes were, and whether they made any impression upon you?—No, I did not make any inquiry.

Viscount Baring.

1145. There are Royal Engineers, I suppose, occupying the same position that you occupy, assistant engineers?—Yes, there are.

Mr. MORRIS LESLIE, called in; and Examined.

Chairman.

1151. Did you enter the service of the Government of India through Cooper's Hill?—I went to Cooper's Hill in 1872.

1152. When did you enter the service?—I went out to India in 1875.

1153. Does your case resemble that of the last witness?—It is almost exactly the same as Mr. Davidson's, who gave his evidence on Tuesday. I suppose it is a little different from the last witness.

1154. Will you tell the Committee what difference there is between your case and that which was heard on Tuesday?—I say it was exactly the same as Mr. Davidson's. My position was the same as Mr. Davidson's.

1155. Have you anything to say in addition to what he said?—I do not think he made it quite clear that it was owing to the prospectus of Cooper's Hill that a great many of us chose that service. On arrival in India some of us found for the first time that had we joined the Public Works Department through the corps of Royal Engineers we should have received the same appointment or higher appointment at better pay than we did on joining through Cooper's Hill, which was a shock to a good many of us.

1156. Did you hear that so lately as last year there were some gentlemen who had passed through Cooper's Hill who preferred the Cooper's Hill career to a commission in the Royal Engineers?—Yes, I did hear it. Several of us have heard it with the greatest surprise.

1157. It is a fact, is it not?—I believe it is a fact.

1158. That some of the successful candidates of Cooper's Hill were offered commissions in the Royal Engineers to go out to India in that capacity and declined?—So I heard.

1159. You think very foolishly?—Yes, we

Viscount Baring—continued.

1146. Are they much junior to you in the service?—Some are one or two years.

1147. One or two years' service? And on furlough draw a minimum allowance more than double I am now drawing after nearly 12 years' service.

1148. What pay?—About 115 £. to 120 £.

1149. Pounds?—Pounds per annum in India, converted at the current rate of exchange.

1150. How many rupees?—500 rupees a month.

Chairman—continued.

think they cannot possibly understand what the service out there really is. We think they are in exactly the same position as we were, that they are misled by the prospectus for Cooper's Hill. Of course every officer who goes out to India through Cooper's Hill is going on a prospectus of about seven years previously to the time he goes out. These men we think must have been misled.

Mr. Bristow.

1160. I think you draw your furlough pay of 10 rupees to the pound, a pound for every 10 rupees?—I have received it within the last few months.

1161. With regard to pension that is still *in dubio*. You do not exactly know how you are going to be treated in regard to pension?—No.

Mr. King.

1162. I should like to ask you a question in regard to these young gentlemen who declined to go into the Royal Engineers; had they joined the Royal Engineers they would have been liable to go anywhere, not simply to India, but they might have been sent all over the world if they had gone into the corps of Royal Engineers; is not that so?—Yes, I believe so.

1163. Therefore a person seeking an Indian career could not insure it if he went into the Royal Engineers?—No.

1164. It is a matter of chance whether he would have got appointed to the Public Works Department in India through the Royal Engineers?—Yes; and I believe they have difficulty in getting even Royal Engineers to take up the appointments from the Public Works Department.

17 July 1890.

Sir BRADFORD LESLIE, called in; and Examined.

Chairman.

1165. How did you enter the service of the Government of India?—I have not entered the service of the Government of India.

1166. You never entered the service?—No.

1167. Have you then always been in the service of railway companies and municipalities in India?—Yes.

1168. Never in the service of the Government?—Never.

1169. But I believe in the course of your large experience you have had to deal with the engineers of the Government of India, and you know their position and their prospects?—I do.

1170. And you wish to give your opinion to the Committee?—Yes; I say that from my experience of engineering work in India the pay quoted in the prospectus and advertisements at sterling are only sufficient for the work to be done.

1171. Then do you consider that generally the Department is underpaid?—Owing to the depreciation of the rupee, I consider that it is underpaid.

1172. Are you acquainted with the number of young men who go up to Cooper's Hill, and who compete for these appointments?—Yes.

1173. I mean are you aware that there is no difficulty whatever in getting first-rate youthful talent to embark in this profession?—That may be so; and I am sure they will find themselves very much mistaken when they come to go to work in India.

1174. Some of these young men who go to Cooper's Hill do so by the advice, I suppose, of parents and guardians of experience, and persons of more mature age, do they not?—I presume they do.

1175. Then, how do you account for the abundant material which offers itself at Cooper's Hill for selection?—Only by the general pressure there is for employment in all directions.

1176. Are you able to inform the Committee of the comparative positions of civil engineers on the railways that are under private companies and in the Indian Public Works Department?—Yes.

1177. What is your opinion as to that?—My opinion is that the pay and emoluments of a civil engineer in the service of the guaranteed railways are decidedly better than those in the Public Works Department of India, and the leave rules are more liberal.

1178. You consider that civil engineer officers require leave to come to England from time to time?—I think it is indispensable that they should come to England as frequently as possible. The engineers in the service of the guaranteed railways get one year's leave in seven years' service. I do not think that is a bit too soon. To enable them to take their furlough I think it is necessary that the furlough pay should be in sterling.

1179. Do the guaranteed railways pay furlough pay in sterling?—They do not; but then the pay is very much better.

1180. Were not some alterations made in the 0.135.

Chairman—continued.

status of the engineers in the Government service some years ago in consequence of the depreciation of the rupee?—Yes, in 1884.

1181. Do the officers of the guaranteed railways obtain pensions in sterling when they retire?—No; but they get what is really very much better; they get an interest in the provident fund, which is established for their absolute benefit, and contributed to by the railway companies.

1182. But that interest is an interest represented in rupees, is it not?—An interest represented in rupees.

Mr. Buchanan.

1183. You say the railway engineers get one year's leave in seven years' service; do they get one year in every seven years subsequently?—Subsequently they get at the rate of one year in six years. The leave accumulates at the rate of two months per annum.

1184. How is the furlough pay paid to them during these periods?—It is paid to them in rupees.

1185. Paid to them in rupees at the current rate of exchange?—At the current rates of exchange.

1186. From a former witness we had evidence to the effect that in some of the railway companies it was paid to them at the fixed rate of 1 s. 10 d. to the rupee; do you know anything about that?—I do not know anything about that. It was not the case on the East Indian Railway.

1187. Nor on any railway that you are acquainted with?—No; but in consideration of the fall in the rupee the servants of the railway company are allowed to draw a portion of their pay at the rate of exchange of 1 s. 10 d.

Mr. Barbour.

1188. I think you have told us that railway engineers are better paid, and have better terms of furlough?—Yes.

1189. It has come before this Committee in evidence that sometimes the railway engineers leave the Railway for the Government service; can you explain to us how that comes about?—I suppose they may not be required. You see, when a railway is under construction a large number of engineers are sent out, but after the railway is finished they have to take their discharge.

1190. I quite understand that; but I do not think that covers the case I am thinking of; it was shown to us here that gentlemen left the railway as a matter of pure choice, if I am not mistaken, and went to the Government service; can you explain how that could come about?—No; I have never known such an instance.

Mr. Howorth.

1191. You are speaking about the number of Cooper's Hill candidates still being very large; are you able to say whether there are still as many candidates as there were two years ago?—I am not able to speak with certainty, but I am under the impression that the number is not so large.

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1192. In

17 July 1890.]

Sir BRADFORD LESLIE.

[Continued.]

Mr. Howorth—continued.

1192. In regard to these employers of the Indian railways, is there any system of forced retirement at a definite age at all?—No.

1193. They can go on serving?—They can go on serving; as long as they are fit and able to perform their duties the companies are very glad to keep them.

1194. In regard to the provident fund, are the proceeds of this provident fund paid to the men who have retired in rupees or in sterling in England?—The amount is paid in rupees.

1195. And is calculated on the basis of rupees rather than sterling?—On the basis of rupees; they have to remit it to England at the current rate of exchange.

Sir William Plowden.

1196. You have spoken of the servants of the railway companies being entitled to two months' leave accumulation for each year's service, have you not?—Yes.

1197. Is it a fact that the railway servants have no privilege leave besides that?—Oh, yes, they have privilege leave. They are entitled to one month on full pay every year.

1198. In addition to the furlough?—In addition to the furlough.

1199. Then you mentioned that you were not aware of railway servants who had taken employment under the Government leaving the railway service to do so; do you know any case of a servant leaving the Government service and taking employment with a railway?—Yes, a great many cases.

1200. Will you instance one?—Yes; the case of Mr. Wynne. He left the Government service to take service under the Bengal and Nagpur Railway Company.

1201. Is that a State-guaranteed railway?—Yes, that is a State-guaranteed railway.

1202. Are not the terms almost equivalent?—It is not the same as a State railway.

1203. His service is guaranteed, is it not?—It is guaranteed.

1204. Then as to the one year's furlough in seven years' service, is not that better than the Covenanted Civil Service get?—I cannot tell you.

1205. Will you take it from me that the Covenanted Civil servant gets one year's furlough in eight years' residence, so that the railway servants are really better off than the Covenanted Civil Service in that respect?—In that respect.

1206. Probably there is some cause for taking

Mr. WILLIAM HALL, called in; and Examined.

Chairman.

1218. Did you enter the service of the Government of India in 1855?—Yes.

1219. Under covenant?—Yes.

1220. Did you after a long and distinguished service in India finally retire from the service in the year 1878?—Yes.

1221. I believe your grievance against the Government of India is entirely connected with

Sir William Plowden—continued.

them on a better footing; can you explain to the Committee what that cause is? I am not able to explain to the Committee, except that the railway companies find it to their interest that their men should come home to England to polish up their knowledge of the profession, and to recruit their health. They find that it pays.

Mr. King.

1207. Referring to the question asked you by Sir William Plowden, Mr. Le Mesurier also left, did he not, the service of the Government of India and went into the service of the Egyptian railways?—He left the service of the Great Indian Peninsular Railway Company.

1208. You must have had considerable experience of the working of a staff of engineers under you?—I have.

1209. What would you say as regards the effect of discontent or too low pay on the service of the engineers' department?—I say that it has a very detrimental effect upon the work done, that men are half-hearted and perfunctory in the performance of their duties.

1210. Are you a member of the Council of Civil Engineers; you are, I think?—Yes.

1211. They have a very strong opinion upon this question, have not they?—They have indeed.

1212. Have they memorialised the Government many times in regard to it?—They have.

Chairman.

1213. You have had a very wide experience; did you ever know a class of public servants who were without their grievance?—Well, I am afraid not.

Mr. Barbour.

1214. You have told us that engineers sometimes leave the Government service and go to railways?—Yes.

1215. Is that recently, or do you know of any recent case?—Yes, the case of Mr. Wynne is recent.

1216. How recent?—I think it occurred in 1885 or 1886. Then there is another case; Mr. Cregeen left the service of the Government to go to the Indian Midland Railway Company.

Sir William Plowden.

1217. After how many years' service?—I could not tell you how many years.

Chairman—continued.

the pension you received in 1878, is it not?—Yes.

1222. You are a civil engineer, are you not?—Yes.

1223. What is your contention respecting that pension?—I was to be admitted to the benefits of the Uncovenanted Service Pension Rules, which rules I never saw for some years after joining

17 July 1890.]

Mr. HALL.

[Continued.]

Chairman—continued.

joining the service, and to receive a pension of one-third of my average salary after a service of 20 years and one half after 30 years, subject in both cases to medical certificate of unfitness for further service. It was agreed thereby that in all payments to be made under these presents the pound sterling should be considered equal to and calculated at the rate of ten rupees.

1224. You are reading from your covenant?—This is extracted from my covenant.

1225. What you read about the pension was extracted from the rules, was it not; and the stipulation about the rate of exchange is from your covenant, is it not?—They are both extracts from my covenant word for word. The covenants are here in the original *verbatim* (handing in the same). I therefore respectfully contend that this last clause fully covers the two previous clauses comprised in the covenants, and that I have been illegally mulcted in this exchange for the past 12 years, since my retirement from the service.

1226. Will you just read that first clause again?—My salary was to begin at 600*l.* a year. I was to be admitted to the benefits of the Uncovenanted Service Pension Rules, which rules I never saw for four years after joining the service.

Mr. Barbour.

1227. Did you ever ask to see them before that?—Frequently; I was told they were out of print. They were never published in India for four years after the first Public Works Code was issued; then they were incorporated in it at the same time.

Chairman.

1228. Is this the covenant: "And it is hereby declared and agreed that the said William Hall shall be entitled to admission to the benefits of the Pension Rules of the Uncovenanted Service to the extent of one-third of his average salary after 20 years' service, and to one-half of the said average salary after a service of 30 years and upwards, subject in both cases to his being incapacitated by illness for further service;" is that the covenant you refer to?—Yes.

1229. "And it is agreed that in all payments to be made under these presents the pound sterling shall be considered equal to and calculated after the rate of ten rupees"?—Therefore I contend that covers the two previous covenants.

1230. Are you aware that Sir Horace Davey advised that it did not?—Sir Horace Davey is better acquainted with the law than I am, but I read these documents as a young man when they were put into my hand in the first instance in the India Office, and I was not capable of comprehending legal technicalities if they existed, nor do I believe it was the intention of the Court of Directors that any legal technicality should be permitted to be urged in the case; and, on the faith of those covenants, reading as any man would read plain language, I took them with the most implicit confidence and served under them for twenty-three years; and for the first time after nearly twenty-four years entering the service was I told by orders of the Secretary of State through the

O.135.

Chairman—continued.

Accountant General's office that they were not to apply to my pension. (*Strangers were here ordered to withdraw; on re-admission Witness continued.*) I think I have already stated the point of contention with reference to the three points in my covenants. I therefore contend that this last clause in my covenants with reference to the pound sterling being equivalent to 10 rupees covers the two previous clauses for salary, of one-third of the average salary for pension after a service of 20 years, and of one-half after 30 years. On arrival in India I was graded as an executive engineer of the fourth grade, at 600*l.* a year. One year and some months later the Mutiny broke out. I was ordered to close the public works which I was conducting and to join a column of Madras troops.

1231. Without giving the Committee the details of your Indian services it may be taken generally that they were distinguished services?—Pardon my interruption, but this is one point that would bear materially on the result of my services.

1232. Then state your case fully in your own words?—I will be as brief as possible. I was ordered to join a column of Madras troops on field service in Bengal, as assistant field engineer (which duty constituted no part of the duty I had covenanted to perform for the Government of India), and on which I was employed for fourteen months, subject to very great slavery and hardship. My health broke down, and very nearly obliged me to leave the country, and this point is what ultimately obliged me to leave the service on medical certificate 10 years sooner than I otherwise should have. My health having broken down in consequence of being detached on duty which I had never covenanted to perform. In 1873 I returned to England on medical certificate, and was paid my absentee allowance at par, of 2*s.* to the rupee. Again, in 1876, I returned to England on medical certificate, when my absentee allowance was also paid at par at 2*s.* to the rupee by the Secretary of State; but at the expiration of this period I was required by the Secretary of State to appear before a medical board who declared me unfit for further service, and ordered me to send in an application to retire from the service. I did so. I sent it to the Government of India, in October 1877, and it was not until July 1878 that I received an intimation from the Secretary of State that I had been permitted to retire, with effect from the 1st October previously, or seven months later, on a quarterly pension of 949 rupees 14 annas, or, in round numbers, 380*l.* a year, and that the Accountant General would be then ordered to adjust my pay and allowances accordingly. A few days subsequent to this I was informed by the Accountant General that my pay and allowances would be adjusted according to the current rate of exchange, which was the first intimation I received from the day I entered the service, that I would ever be subject to that deduction. I signed my covenants as a young man in the full confidence that they meant nothing more than ordinary language could render, or that could be understood by plain interpretation, and on the faith of which I never asked a question or entertained a doubt during my long service, but that I should unquestionably enjoy the full benefit of one-third my average salary on retirement to my English domicile. The question of

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17 July 1890.]

Mr. HALL.

[Continued.]

Chairman—continued.

of exchange I never heard of in connection with the public service until seven years later, when the Duke of Argyll's Despatch was published in 1862. That was the first intimation I ever heard of as to exchange in connection with the public service. Even then I had no suspicion that it applied to me, as I regarded my covenants as inviolable. In making some provision for a young family, I naturally based my arrangements of insurances on the pension which I had always considered my covenants entitled me to and assumed to me. It cannot be supposed that had I the least suspicion when entering into my covenants that my pension would in advanced age by a legal quibble be reduced to the miserable pittance of 259 £ a year, I should never have entered that service; and it is reduced to that now. To keep up my insurance policies I have been gradually becoming yearly more involved in consequence of this deduction for exchange which now aggregates with interest to a sum of upwards of 1,300 £. I therefore confidently appeal to this honourable Committee of English gentlemen that they will recognise the unquestionable justice of my claim as now laid before them, and relieve me of this terrible injustice to which I have been so ruthlessly subjected for the past 12 years.

1233. Did you ever expostulate against the decision of the Secretary of State in 1878?—I did. I had a long correspondence with him extending over upwards of a year and a-half, and he cut me short by at last telling me if I would go back to India and draw my pension no question would arise about the exchange. That is the satisfaction that I had after 24 years' service.

1234. Since that final decision in 1879, have you ever revived the case again?—I once subsequently had a memorandum laid before the Secretary of State through Mr. Macartney, Member for South Antrim, and he just sent me a copy of the previous communication in reply.

1235. What date was that?—About two years ago. It is very probable that I have the communication here; I am not quite sure that I have. I have it at all events within reach. I do not find that I have it here amongst my papers.

1236. I understand that your claim is to have your pension paid at the rate of 2 s. to the rupee?—Yes; and arrears paid up at the same rate with interest.

1237. Since 1878?—Since I retired in 1878.

1238. I understand you to say that according to the covenants and according to the pension rules then in force you were entitled to that when you retired?—Certainly; they are quoted in my covenants, and if you will permit me I should like to make one further observation: A few moments since you said that Sir Horace Davey had given a certain opinion, but I have been since informed that Sir Horace Davey's opinion was based on rupees and not on sterling. It was based upon the covenants laid before him which were "rupees" and not "sterling" money as detailed in my covenants.

Mr. Buchanan.

1239. You appear here as one of the pensioners; one of those injured?—I appear here

Mr. Buchanan—continued.

as a representative (as a type) of those who came out with me the same year under the same covenants.

1240. Under the 1831 rules?—Yes.

1241. Have you seen the case or have you got a copy of the case as drawn up by Mr. Jenkins; you have I think, have not you?—Yes, I have got it.

1242. Then you are one of those whose cases appear on pages 65 and 66?—I am.

1243. There is nothing otherwise special in your case?—Nothing.

Mr. Barbour.

1244. You tell us that Sir Horace Davey only gave an opinion on what was put before him?—I presume so.

1245. Can you tell us who it was that stated the case and put it before him?—I presume it was the association of the Indian service.

1246. I suppose they took special pains to get up the case and put it before him in such a way as to make it tell with the views of the association?—It unfortunately so happens that his opinion, as far as I have been able to collect it, is adverse to the association's claim. I am under that impression.

1247. That is Sir Horace Davey's opinion?—Yes.

1248. That is not the point of my question; the point is this: that the gentlemen managing the association took special pains to get up the case in such a way as to put it before Sir Horace Davey so as to state their case in the most favourable way possible?—The case which they laid before Sir Horace Davey was not typical of my case. It was more typical of the Cooper's Hill men who went out to India several years subsequent to me. It was not typical of those who went out in 1835.

Sir Stafford Northcote.

1249. You describe your case as typical of that of a large number of others?—Yes.

1250. Have you had any communication with other gentlemen whose cases resemble yours? Have they authorised you to speak in any way for them?—Not directly authorised me; but it is understood that my case should be representative of theirs; and I have no doubt that others will come before you of the same class to represent other points of grievance on their own behalf.

1251. I merely wished to know whether you had authorisation to speak for any other body?—I have been verbally authorised by several; but I know that several other members who went out under the same covenants will ask to appear before you to represent their own views more particularly.

1252. So far as you are aware, other cases do not substantially differ from your own?—So far as I have been able to collect, I do not believe they do; not materially.

Mr. Howorth.

1253. How many men went out under the same covenants, so far as you know?—I think I heard that 24 went out in 1855.

1254. Are

17 July 1890.]

Mr. HALL.

[Continued.]

Mr. Howorth—continued.

1254. Are any still in the service, or are they all retired?—They are all dead or retired now.

1255. So that you represent in fact a class which are entirely gone out of the service?—Out of the service. I do not know one in the service now.

1256. You joined, I believe, at the very beginning, when Europeans began to join the service?—Yes, when Lord Dalhousie sent home a requisition to have a certain number of engineers sent out. I was one of those sent out at that time in response to that requisition.

1257. When you tell us that there were no rules forthcoming until four years after you joined, I presume there had been no rules at all?—There were no rules produced to me at the India Office. I never saw them even after I went to India. I recollect distinctly having asked to see a copy of them, and I was told they were out of print.

1258. How many men do you suppose are still living who have a similar grievance to yours?—I know there are two in London at present; whether they are in this room at present or not I do not know, but I have seen two within the last few days.

1259. And so far as you know were the terms

of the agreement you read out precisely the same in their case as in yours?—I think so. I have no reason to doubt it, but I believe they have got other points of complaint which have transpired through their service, to bring before the Committee, if permitted.

Sir William Plowden.

1260. You had no knowledge of what was pending with regard to these leave rules; yet still I understand that the leave rules as framed from time to time were published in the Government Gazettes?—I fancy they were; I have no reason to doubt that they were.

1261. Of course you would receive a copy of the "Government Gazette" at your office and you would see what the rules were?—Yes.

1262. There is one other point; with regard to your services in the Mutiny. Did not you receive any extra pay for that service?—Only 112 rupees a month, assistant field engineer's pay; the allowance for extra horse and tentage; no other consideration from the Government whatever.

1263. There was extra allowance granted for field service, was there not?—112 rupees a month, nothing more.

Mr. OLIVER STACK, called in; and Examined.

Chairman.

1264. ARE you Deputy Inspector General of the Bengal Police?—I am.

1265. Did you join the service of the Government of India in 1859?—Yes.

1266. How did you join; by examination or by nomination?—By nomination.

1267. Who nominated you?—Lord Canning; or, rather, I was nominated through the influence of Lord Canning.

1268. Who gave the actual nomination?—Sir John Peter Grant.

1269. What was he?—Lieutenant Governor of Bengal. It was through the influence of Lord Canning that I was nominated by him.

1270. You were nominated by the Lieutenant Governor of Bengal. I believe you want to call the attention of the Committee to the Report of the Public Service Commission as to the Police?—I would like to say that I come not only to represent my own individual grievance (which is simply one of pension), but I have also been deputed by the police officers of the Punjab, the North West, Bengal, the Central Provinces, and Madras, in fact, the whole of India, to represent their grievances, which, of course, include other grievances as regards leave and pension besides the maintenance of law and order and of security for person and property is one of the most important duties of the British Government in India, and that with this primary duty no *a priori* considerations in favour of the admission of all classes to equal chances of employment in the public service should be allowed to interfere; while fully sensible of the advantage of securing for the Department the highest detective ability procurable, the Commission felt compelled not to lose sight of the other duty not less incumbent

by natives, but which require Europeans, and European gentlemen, and that the policy of the Government shows this; and, therefore, I would simply quote very briefly from the Public Service Commission which sat two years ago to prove my statement. It says: "The police is a highly organised force, with a semi-military training under its own officers. The constitution of the force established in 1861 contemplated a European being placed at the head of the police in each district, with an assistant when necessary, and this practice has, with few exceptions, have been maintained to the present day." The total number of officers in the force is 370; of this number 17 are natives of India, and five are Eurasians; 348 are Europeans. There are fewer natives of the country in the police force than in any other public department. As regards the employment of natives of India in the police, the following remarks show the views of the Public Service Commission, "The question of the larger employment of natives in the higher grades of the Police Department is one on which the sub-committee sought and recorded very full information. The Commission approached this subject with the sense that the maintenance of law and order and of security for person and property is one of the most important duties of the British Government in India, and that with this primary duty no *a priori* considerations in favour of the admission of all classes to equal chances of employment in the public service should be allowed to interfere; while fully sensible of the advantage of securing for the Department the highest detective ability procurable, the Commission felt compelled not to lose sight of the other duty not less incumbent

17 July 1890.]

Mr. STACK.

[Continued.]

Chairman—continued.

on a good police officer, namely, the maintenance of the public peace among populations liable to be set at variance by dissensions arising out of race and religion." It then goes on to say that for many years to come the European officers in the force must predominate. It has been described as a force with a semi-military training. The Bengal police have taken part in 10 frontier expeditions since its organisation in 1862. It is drawn from the same classes as the covenanted and the military officers. There are military officers in the Bengal police. They have the same status and the same duties in every way as the uncovenanted officers. Sometimes military officers are under uncovenanted officers. The only difference is in pension and leave rules, and this is one of our grievances. Then, again, the Indian police officers have been used as a kind of reserve to be indented on, for instance, as they were in the Bengal and Madras famines; when the transport broke down, Indian police officers were used simply because they were preferred to natives. Indian police officers are drilled with regiments. You allowed, Sir, in former cases officers to refer to promotion and slow promotion. I do not know that it is perfectly relevant as regards pension and leave perhaps; but, of course, it is much more important in a lowly paid Department where the well-paid appointments are few; the leave and pension rules are much more important in a department like that of the police than it is in more highly-paid departments; as our pensions are fixed according to our salaries. In 1866 there were five appointments.

1271. I am not sure that the Committee would care to hear about the promotion?—In that case I will pass on, I will not mention it. I observed that you allowed it to be mentioned as regards some others.

1272. We had better come to the question of pension, perhaps?—That point, of course, is a most important point (I will not press it, however, upon the attention of the Committee); that is, that it is very necessary, indeed indispensable, that there should be European officers in the police, and that they should be men of good standing. The regular police of India number over 112,000 men, and I can say from my own experience that the efficiency of that force depends entirely on the European officers. Another point that I would wish to press upon the Committee is that we have more arduous duties to perform than almost any other uncovenanted service. We have to be out in all weathers; we cannot only go out in the cold weather, but we have to be out in all weathers, and that, I think, is a fair subject for consideration, when taking into consideration our pension and our leave rules. The point I want to make out in my remarks, therefore, is that we are a European service, that it is absolutely necessary that there should be Europeans in that service; that there is no prospect of the European element in the department decreasing, as there is in some other departments; and that our work is very arduous. Under these circumstances we contend that it is unfair to apply to the European officers of the force leave and pension rules, which, though liberal and suitable as regards Asiatics, are quite

Chairman—continued.

unsuitable for Europeans. I would here quote from the evidence given before the Public Service Commission by the Inspector General of the Madras Police, a military officer of high standing and long police experience: "Public Service Commission Report; Proceedings of Madras Sub-Committee: Police Department, page 147." "Another most important point in connection with the police is the revision of the leave and furlough rules. Police officers come under the Uncovenanted Civil Service rules for leave and pension, and as these rules are framed entirely to suit the circumstances of natives, they should not apply to the higher grades of superintendents and assistant superintendents of police in which there are no natives; they do not apply to some officers of the Public Works Department, yet police officers are recruited from the same or a better class, and have much more arduous duties and have to undergo exposure in all weathers and climates." That is a military man who gave that opinion. If a native falls ill he can find in his own country and within a two days' journey places where his health can be recovered, and strength restored. A European officer must come to Europe. A native officer can go to any part of Bengal and back for about 10*l*. A European officer must at the very lowest calculation expend 120*l*. to take him to Europe and back. A native officer being in his own country is not under the necessity of taking long leave. Like the English Civil servant he contents himself with a month every year or three months every three years. He is therefore during the whole of his service on full pay. A European officer requires long leave to Europe to recruit his strength to enable him to discharge his duties efficiently; during this leave he is on half pay. We contend that it is not fair to have the same condition of service for officials differing so completely in their requirements. The great majority of European police officers are under the Indian services leave rules. In the Bengal police out of 86 European officers only 12 have been admitted to the improved leave rules; in the North-West only four officers, and in Madras not one. Under the leave rules applicable to the great majority of police officers and to all native officials an officer can get one year's furlough after 10 years or two years after 18 years' service, or six months' leave after six years' service, on half pay; three years are allowed on medical certificate, but only two years can be taken at one time. If I refer here to the more more favourable leave rules enjoyed by military men employed in the Police Department and doing exactly the same work as the uncovenanted officers it is on the assumption that Government considered that the leave allowed to military men was necessary to enable them to perform their duties with efficiency. If so we have some reason for asking that European officers drawn from the same classes of society and doing exactly the same work should have the same allowance of leave. A military police officer can get six years' furlough in his service; an uncovenanted police officer only two. After eight years' service a military police officer can get furlough for two years. An uncovenanted police officer can only get one

17 July 1890.]

Mr. STACK.

[Continued.]

Chairman—continued.

one year after 10. After three years' return to duty, a military police officer can get two more years' furlough. An uncovenanted officer has to serve eight more years before he can get one year's furlough; all the furlough a military officer gets counts towards pension, not a day of furlough of uncovenanted police officers counts. As regards leave allowances, a military police officer can draw a maximum allowance of 1,000*l*; an uncovenanted officer though he may be higher in rank and drawing higher pay in India, can only draw 800*l*. A military police officer, no matter how junior, cannot draw a smaller leave allowance than 250*l*. per annum; for an uncovenanted officer, there is no minimum. An uncovenanted assistant superintendent of police of the lowest grade, if compelled by ill-health to go home on leave, as some have been, could only get 85*l*. per year. Inadequate leave allowances have simply led to this result, that very few police officers can afford to take leave. Out of 86 European officers in Bengal, there are only four officers on furlough. Out of 86 officers there are only 15 drawing higher pay than 700 rupees per mensem. There are therefore 71 officers whose leave allowances are so inadequate that they cannot avail themselves of leave to Europe. The leave allowances of the most highly paid of those 71 officers, that is third grade, would only amount to 293*l*. per annum; all these officers have over 23 years' service. Seven out of 11 officers are married men. The expense of a passage to and from England for a married man is moderately calculated at 300*l*. Therefore, they simply cannot do it. There are 11 officers in the 4th grade drawing 600 rupees per mensem, not one of whom has less than 20 years' service, and many over 25 years. They are all married men with families. Their furlough allowance on half pay would amount to 255*l*. per annum, and, of course, they would be subject to the same expense for passage money as I have before stated. The leave allowances of men who have been 15 years in the service would only amount to about 160*l*. per year. Therefore, a very large number of officers have not been able to take furlough for the last 10 years. And this is a point I wish to bring forward, not only as a point of individual hardship, but as showing how it affects Government service. Ten years of unbroken service in India is enough to impair the strength and diminish the energy of any European, and I can speak from personal experience as an inspecting officer when I state that a very large proportion of our officers are suffering from want of rest and change, and that consequently their work is not as efficiently done as it would be if they had more liberal leave rules and allowances. Of course it is not possible to estimate the loss to Government arising from that. We cannot estimate in money value, the loss caused to the State by the diminution of zeal, and the discontent of a number of officers worn out by the climate; but my inspections have convinced me that the loss is a very real one, and to anyone who understands the working of the Department a very palpable one. I have had again and again to report verbally to the Inspector General, the head of our Department, that many of our officers are played out for want of change and rest, and that they have lost zeal and energy.

O.135.

Chairman—continued.

Then another grievance of ours is that by their leave and pension rules, for native policemen, Government practically admits that the police service is more arduous than service in any other Department. There is this anomaly; a native policeman can count his service towards pension from the age of 18; the native employees in other departments cannot count their service before the age of 22, and a European police officer cannot count service till after 22. A native policeman counts two years furlough as service towards pension; his European officer cannot count a day; not a day counts as service on the part of the European police officer, so that it practically comes to this: that a native officer serving in his own country can retire on his half-pay pension much sooner than his European officer. As regards pensions the uncovenanted police officers are in the same position as the other non-domiciled European uncovenanted servants. They get half-pay after 30 years' service, with this important qualification, that it cannot exceed 5,000 rupees per annum. I will show how this operates in my own case. My pay is 18,000 rupees per annum; if I got half-pay I would get 9,000 rupees, which at the present rate of exchange would be about 636*l*. per year; but in consequence of this maximum reserve I only get 5,000 rupees (or will in a few months), equal in sterling to about 360*l*.; this is after 31 years' service in India. Out of 86 officers in the Bengal Police, only seven can get this maximum pension of 360*l*. per annum, all the rest will get smaller sums. There is another evil resulting from inadequate pensions which I wish to point out, and which affects the Government service quite as much as it does individuals; that is this: the rule is that uncovenanted servants should retire when they attain the age of 55; and, as a rule, most certainly men are not capable of doing efficient work after 55. But the pensions are so small and the fact of their being fluctuating operates so as to make officers reluctant to retire. They send in an application for extension of service, and their superiors, knowing that their pensions are small, take a very lenient view of their qualifications and recommend the extension, and they get the extension. Lately, the Inspector General of the Bengal Police reported to the Government that, with one exception, not a single officer who had got an extension of service, after he had attained the age of 55, had done efficient service, not a single officer. It is equally bad for the Government and for the individual; for the Government which is paying full pay for service which is not efficient, and for the individual who is obliged to work on in an exhausting climate, when no longer fit for duty.

Mr. Barbour.

1273. Is not that a very sweeping charge to make against superior officers, for allowing that to go on?—It is; and that is what I wish to strongly bring out. Covenanted civilians and military officers, when brought into official contact with uncovenanted servants, feel a strong sympathy with them; and when there comes to be a case of Government interests clashing with individual interests, they are apt to take the side of the individual as against the Government. It is a very serious evil, and it results from inadequate

L 3

17 July 1890.]

Mr. STACK.

[Continued.]

Mr. Barbour—continued.

quate pensions, and from inadequate leave allowances. I will give a very strong instance. I will only quote one case, because I think it is a very strong instance. Ten months ago I went to inspect a district. The police officer was in extremely bad health, and had been in bad health for two years. I asked him why he had not taken leave. He said he could not afford it, the leave allowances were too small; he was a married man with a family, and it would be utterly impossible that he could carry on the education of his children if he took leave. I asked him why he had not retired on pension. Any medical man would have given him a certificate; he had put in 25 years' service. He said the pension was too small; it was fluctuating; and he could not afford to do it. A few months afterwards he attained the age of 55; he was compulsorily retired; he came home to England, and he just lived only a week after arriving at home. Now I do not want to point out the individual hardship in that case (though I have not the slightest doubt that if that man had had more liberal leave and pension rules he would be living to day), but that his district had got into extremely bad order, simply and solely because he was not up to the work; and it will take some time to get that district into good order. That is one of the evil results to the Government Service of the present rules. Of course we may say, theoretically, that officers should first choose Government interests, but we have to look at the system as it works practically, and not as it works in theory. I do not know whether it will be within the scope of the inquiry to mention that exchange hits the officers of a department like the police (which is not highly paid) in other ways quite irrespective of pension and leave rules. Everything we get from England, for instance, we have to pay a higher price for.

Chairman.

1274. That is hardly within the terms of our reference?—Then I think it is within the scope of the Committee's inquiry, and it will not be irrelevant, to mention and contrast the terms paid to the higher officers of the London police and the Indian police.

1275. I think that would hardly be relevant; the conditions of service are so very different?—Exactly so; but all I want to show is that our conditions are much more severe; yet we get much worse pension rules. Some of our officers have been appointed to the London and provincial police; and I have heard their opinion as to the arduousness of the duty of the higher officers of both departments. In fact, one of them has volunteered, if necessary, to come before the Committee.

1276. I think the contrast of the position of the Indian police and the London police is outside our inquiry?—I am not speaking of the ordinary Indian policeman and the London policeman; of course, it would be absurd to make any comparison in that way; but I am speaking of the Bill lately brought in.

1277. That, I fear, is irrelevant?—Then there is another point I would wish to add.

Chairman—continued.

Lord Dalhousie in a Despatch mentioned the great temptations which are thrown in the way of men of the Public Works Department, and all that he said applies with infinitely more force to the officers of the Police Department. There is no department in India in which there are such temptations as there are there. It is all the more necessary therefore that the officers of the department should be well paid, and should be men of a good stamp. As regards the present men of the force I can only say that they will compare favourably with any department as regards character for honesty and integrity; but I may say this too, as an officer of great experience, that the pecuniary strain is getting greater and greater every year. Men are getting more worn out for want of leave, and I honestly confess that if it goes on I look with apprehension to the future. I know the circumstances of most of the officers of the police; I know they are not able to take leave, that they cannot retire, and that therefore the pecuniary strain is very great. Another point is a particular grievance of our department; that is, that service in what is called the officiating appointments does not count for service. For example, a youngster when he is appointed to the police is appointed as an officiating assistant superintendent; he has to pass two departmental examinations before he can count his service towards his pension. In many cases officers have thus lost three and four years' service. For instance, many young officers after they were appointed were sent up to the frontier on frontier expeditions; of course study for examinations was out of the question, they would not be allowed to appear before the board. This presses very hardly on officers of the Police Department, and it is not the same in other departments. We would suggest that, as in other departments, service should count from the date of appointment. Another grievance, and that is a general grievance, is that service before the age of 22 does not count; many officers in this way lose four years' service. I will mention one case, that of Mr. Hoskins, in the North Western Provinces; he was a little under 18 when he joined; a few months afterwards the Afghan War broke out, he was sent on transport duty, and was all through the war, for two years; that service does not count for pension. He was then appointed officiating district superintendent, in succession, to two of the most important districts in the North West, so that before the age of 22 he was doing most important work. All that service does not count, and there are a great number of officers who are similarly situated. If you ask me what remedies I would suggest, I say: Pensions to be fixed in amount and paid in sterling. The pension rates prescribed in the rules of 1853 seem equitable.

1278. What were those rules?—That was 500 l. a year.

Mr. Howorth.

1279. Five hundred pounds maximum?—£. 500 maximum. Very few officers of police would get the maximum, because we have not many highly paid officers. The majority of our officers would get about 450 l. a year. Another remedy I would suggest is that service from the age of 18 should

be

17 July 1890.]

Mr. STACK.

[Continued.]

Mr. Howorth—continued.

be allowed to count towards pension as it is in the case of native policemen. The duties of an assistant superintendent are more arduous and involve more responsibility than the duties of either young civilians or young military officers. By law they are invested with very important functions from the moment of their appointment, and in fact they are doing just the same work from that time as they are afterwards. I think that all European officers of police from the rank of assistant superintendent, should be allowed the benefit of the more favourable leave rules, which are now only enjoyed by a few, and the leave allowances should be the same as for military men in civil employ. This was proposed 20 years ago by Lord Mayo's Government; some officers of police are, and some are not allowed those rules; it is a mere arbitrary distinction. It was simply based on the fact that on a certain date, if men were drawing certain pay, they were allowed those more favourable leave rules; and it leads to this anomaly, that a junior officer will now be able to come home on a higher pay than a senior officer, because the police is not a seniority service, and a junior officer who got promotion first to 800 rupees a month, or to 1,000 rupees a month, might be under the less favourable rules, while his senior who had been passed over because he was not as efficient, is under the more favourable. I think officers of the police certainly should be allowed to retire after 25 years' service. In all police forces that I have ever seen, 25 years' service is considered the time for retirement. If that is the case in Europe, it certainly should be the case, I think, in India.

Mr. Barbour.

1280. Is it the case in Europe?—It certainly is the case in the London and the provincial police; an officer can retire on half-pay after 25 years' service, or on two-thirds pay. The Police Bill, as brought in, provides for that, I believe.

Chairman.

1281. I think you are rather travelling in advance of facts at present. It is only a Bill at present, it is not law?—I thought, as regards the 25 years' rule, that was in force before. I mean to say, before this Bill was brought in, a policeman could retire after 25 years; and I thought the only contest was about the pension he was entitled to. I think 30 years is certainly too long to serve in India, and that 25 years' service would be ample. Those are the points and those are the grievances that I wish to place before the Committee.

Mr. Barbour.

1282. You made a very strong point about the more arduous duties of the police as compared with the other services. Would you explain that in detail?—I will. I had it written in some detail, but I curtailed it in order to save time. We have to go out on duty all the year round. Our duties take us out on inspections all the year round, in hot weather, and in the rains. Officers of other departments go out in what is called the camping season. We have to go out to investigate important cases, and to inquire into all charges brought against our subordinates. 0.135.

Mr. Barbour—continued.

I may add that in my own experience I have had three serious illnesses from exposure while on duty; and there is no police officer I know of who has not been laid up from the same cause.

1283. That is, exposing himself to the sun, perhaps?—Exposure in the sun and in the rainy season.

1284. But could he not protect himself against the sun in travelling?—Protect himself; how?

1285. It can be done somehow, surely?—He can wear a pith helmet, of course; but you have to be out in the sun all day. I have ridden 200 miles in my district, in four days, in May. I had to do it. I was out all day. In the month of September, one of the most unhealthy months of the year, I had, when the cyclone occurred, a ride of 32 miles, to Diamond Harbour, and 32 miles back; that was 64 miles that day.

1286. Did you do that in the 24 hours?—I did that in the 24 hours. I had relays of horses. I started at six o'clock in the morning, and did not get back until past 11 at night.

1287. I was in India last winter, and it was explained to me that the business of an indigo planter was more healthy than tea planting; the explanation offered was that indigo planting was a more active life; if this is so in the police service, would the officers not have more exercise, and therefore be more healthy than officers in other departments?—An indigo planter leaves his house at six o'clock in the morning, and he comes back to his house again at 11 o'clock or 12 o'clock, before the sun gets hot, and all the rest of the day remains in his house. We have to go out, and have been frequently out the whole day; and that goes on for weeks together. I have had to start, for instance, before my servants in an urgent case, and had no food except what I could pick up in the bazaar. I have had to sleep in a native hut, and under a tree. That is different, you see, entirely from the life of an indigo planter. A certain amount of exercise is good if you can take it in a proper way.

Sir Stafford Northcote.

1288. I think you mentioned, as one of the great hardships of the police service, the impossibility of the police officers taking leave and coming to England, in consequence of the low rates of allowance?—Yes; in consequence of the low rates of allowance, and the expense, of course, connected with coming home too; that has to be added.

1289. Of course you are aware that the terms of this reference are that we are to consider the alleged grievances of the uncovenanted Civil Service arising from the change in the relative value of gold and silver money, and their leave and pension rules?—Yes.

1290. Can you suggest any means by which, without a direct increase of salary, the difficulty which you describe, as to the European officers returning on leave to England, could be met by us under the terms of this reference?—Yes; as in the case of other officers, there should be a minimum allowance of 250 l. a year. You have, in fact, to assimilate our rates of furlough pay to that of the military police officers.

L 4

1291. Are

17 July 1890.]

Mr. STACK.

[Continued.]

Mr. Howorth.

1291. Are all your officers recruited in England, or are some of them recruited in India?—They are all appointed in India. Youngsters come out occasionally with promises of appointments from India; but the appointment takes place in India.

1292. How comes it that the police service should be an uncovenanted service at all, when it has been always limited to Europeans in this way?—I think the reason is that the governor generals and lieutenant governors wish to keep a certain amount of patronage in their hands.

1293. You have spoken about the terms of service being different in certain cases to what they are in others. So far as you know the covenants of service, how many different forms would there be in the police service?—In the police service we are all under the same. There are no different forms except what I have pointed out, that natives in the police have more favourable rules than their European officers.

1294. All the police officers then?—All the uncovenanted police officers are exactly on the same footing, and under the same agreement; there is no agreement, in fact.

1295. Is there no divergence at all as to leave and to pension; that is what I mean?—Of course, men who came in between 1855 and the 8th June 1863 we think have superior claims to those who came in later.

1296. On what account?—That touches, of course, the individual case which I wanted to mention. In 1859 I was appointed; the leave rules then in force were those of 1855; that is those framed by the Court of Directors, the pension rules; and the leave rules were those of 1856. Under the pension rules of 1855 my pension is stated (that is, if my service were an approved good service) to be 500*l.*, stated in sterling; and there was no question whatever of its being paid at any rate of exchange. I naturally concluded that my pension would be 500*l.* On the 8th June 1863 the Secretary of State brought out rules—

1297. What are called the improved rules?—He called them improved rules, or revised rules, and he made them applicable with retrospective effect, and that is what we complain of. I got no option. I do not remember ever being applied to, or anyone saying, "Will you elect to go under those rules, or will you abide by the rules of 1856?" In the rules of June 1863 for the first time it was stated that payments would be made at the rate of exchange. I may add that when I came in in 1859 the rate of exchange was 2*s.* 1½*d.*, and the rate of exchange when the rules came out was 2*s.* In 1864 the Secretary of State in a Despatch again mentioned pensions in sterling, and said, "Ordinarily the pension of an uncovenanted officer will be 500*l.*" In 1868 he again mentioned the pensions, and again mentioned them in sterling. In 1870 (that is 11 years after I entered) he again mentioned the pension rules, and when he mentioned the pensions he mentioned them in sterling.

Chairman.

1298. As an equivalent to rupees?—There was nothing said about being equivalent to

Chairman—continued.

rupees. He said 5,000 rupees or 500*l.* Of course in that way it was mentioned, "or 500*l.*" I ask now for my 500*l.* pension. What I contend is this: I fulfilled the conditions; I never got any option; and now they say, Oh, no; the rate of exchange is now 1*s.* 5*d.*, and you will get your pension at that rate.

Mr. Howorth.

1299. Just let me ask you a question on another point. You drew a comparison between the pay of the uncovenanted police officers and the pay of the military police officers?—Not their pay. I drew the comparison as to leave and pension.

1300. I mean with regard to leave and pension?—Yes.

1301. Do those military police officers to whom you refer, form a separate service?—They are military men in civil employ, and their rules are to be found in our Civil Leave Code.

1302. You argue, do you not, that your rules should be assimilated to theirs?—Not quite. We do not want to be put on pension as high as they. I do not think it would be fair; we do not claim it. A military police officer after 30 years' service, gets 750*l.* a year. I get after 30 years' service a pension of 360*l.* That man was subordinate to me in the department.

1303. Without going into that, how would you discriminate between what you demand from what is at present received under the privilege of the covenanted police officers?—I do not think, considering the way in which we enter the uncovenanted service, that we are entitled to as high a pension as they are; we should get a pension of 500*l.*

1304. In the service now have you any Eurasians and domiciled Indians at all?—There are 348 pure Europeans; we have 17 natives altogether; and we have in the whole of India about 12 domiciled Europeans or Eurasians.

1305. When you spoke just now about your young officers being detached for other service and receiving no advantage in the shape of furlough, do they receive no advantage at all in respect of that detached service?—They get what is called a deputation allowance to defray the expense which they are put to for carriage; for horses, for instance. Young officers sent on transport duty on detached service or on famine duty, must keep up more horses than he would on his ordinary duty.

1306. That would be simply pay on account of extra expense?—On account of extra expense. It is what is called "deputation allowance," which is given when on service when they are put to extra expense.

1307. He receives nothing in lieu of advantages on account of furlough?—No, nothing on account of furlough, and nothing in regard to pension. On the contrary, no matter how good his service may be, no matter how arduous his work, if it is before the age of 22, it does not count for service towards pension.

1308. What do you say would be the average of the amount of this officiating service that you refer to, that these youngsters would have to pass

17 July 1890.]

Mr. STACK.

[Continued.]

Mr. Howorth—continued.

pass without the time being counted?—The combined effect of the officiating rule and of the rule that before the age of 22 the service should not count, has been very severe in many cases, and I should say the average would be three years. It does not affect me personally, but a large number of the officers in our department lose three years' service, on the average. Those three years must be added to their 30 years' residence which they have to serve in India.

1309. Have you a large number of applicants for vacancies at present, or not, under the present conditions?—On the conditions, yes; there is no difficulty. Lately there has been an entrance examination required in Bengal, and, therefore, the number of applicants is not so very large.

Sir William Plowden.

1310. You have spoken of the deputation allowance: how much is it per month?—I am not quite certain, but, I think, in the time of the famine, it was 200 rupees a month.

1311. Do you say that is only given to cover the extra expense a man is put to?—To a certain extent.

1312. How much is the cost of keeping a horse per month?—It also, of course, would be for the purchase of a horse; the Government does not provide us with horses.

1313. I do not ask you about the question of horses?—Twenty-five rupees a month.

1314. Then he could keep eight horses for his 200 rupees?—Yes.

1315. He would not want eight horses, would he?—No; but I need scarcely point out that when a man is moving about there are always more expenses than when he is settled in his own house.

1316. It is quite clear that it is not intended simply to cover the horse allowance; you know there is such a thing as horse allowance in the military departments, and it is about 33 rupees a month, is it not?—These officers have to purchase additional horses and do the work. I know several cases in which they did so in the Bengal and Madras famine. That is the first thing they have to do. You will not get a decent horse in India under 500 rupees.

1317. Is not the minimum military police officer's furlough pay given to him because he is a military man, with certain furlough rules?—I think not; he is a military police officer in civil employ, and the pay of a military police officer in civil employ is different from the pay of a military man not in civil employ; therefore, I believe, it is given because he is a military man in civil employ.

1318. Is it within your knowledge that a military man in civil employ gets the same furlough pay as a man of his own rank who is not in civil employ?—I do not know about that.

1319. If you do not know, it is no use asking you?—No; I cannot contrast the two.

1320. You said just now that the native police have more favourable rules than the European officers (which I was rather surprised to hear); they are under the same rules, are they not?—They are under the same rules to some extent; but, as I say, there have been clauses introduced

O.135.

Sir William Plowden—continued.

giving them improved rules. A native policeman can count service from the age of 18.

1321. A native police officer?—Well, we give promotion from the ranks. We have many cases of inspectors rising from the ranks. Their service will count from the age of 18.

1322. Will the service of the native assistant superintendent count on more favourable terms than that of a European assistant superintendent?—If he rises from the ranks, I think so. He counts his service the whole time.

1323. You have no instance, I suppose, of a European officer rising from the ranks?—No.

1324. I do not quite follow the remark you made about the senior and junior officers who were under different rules of pension, where you had found that a junior officer got better pension and better furlough pay than the senior officer?—That is not as regards pension, that is as regards furlough. In 1872 the Secretary of State admitted a certain number of officers to what is called the more favourable leave rules; that is the same kind of leave as covenanted civilians and military men in civil employ. That was a selection. The conditions were that the men should be of European parentage, and that they should have held an appointment of not less than 600 rupees a month at that time. Therefore the selection was made of these men, and their names were put in a schedule, called Schedule B. That privilege was stopped then; that list was made; no more men were admitted to the rules under the orders of, I think Lord Salisbury, or the Duke of Argyll, who said, as regards the uncovenanted service generally, that Europeans appointed to offices which could fitly be held by natives should not receive more advantages than natives received. I will explain how it comes to pass: The police is not a seniority service. Promotion goes by merit; this leave did not go by merit; it simply went by the pay that a man was getting; for instance, one man would be included in the more favourable rules if he was getting 500 rupees a month at that time, while the man above him was getting 600 rupees; as years went on, this man at 500 rupees a month being a more efficient officer, got promotion to a higher grade over the others; this man being in the list still continues to get the more favourable leave rules, while the man who was above him does not.

1325. You gave us a very extraordinary case which came under your inspection duties, of a badly administered district where the police officer was in a bad state of health?—Yes.

1326. What was the report on that police officer?—I reported unfavourably.

1327. And he was still retained?—He had only a few months to serve before he would be 55, and he took a short leave in India; a man was sent in his place. He attained the age of 55; he came home, and he died.

1328. Do you find it generally the case where men are unfit to carry on their duties, that out of a sort of commiseration for their unhappy position, the responsible officers in the administration will allow them to go on?—I think the tendency is that way.

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1329. How

17 July 1890.]

Mr. STACK.

[Continued.]

Mr. King.

1329. How many years have you served, including furlough?—Thirty-one years.

1330. How many years of actual residence?—Twenty-seven years and three months.

1331. You stated that you came into the service under the pension rules of 1855?—Yes.

1332. You mean by the Despatch of the Court of Directors; the Despatch limiting the pension to 500*l.*, do not you?—Yes.

1333. And the leave rules of 1856?—Of 1856.

1334. In what respect did those leave rules differ?—Three years leave under the leave rules of 1856 counted as service towards pension.

1335. One thousand eight hundred and fifty-six?—One thousand eight hundred and fifty-six; that privilege was withdrawn in the leave rules of 1862.

1336. And you who entered under the leave rules of 1856 have been deprived of that privilege?—Yes.

1337. By *ex post facto* legislation?—Yes.

1338. Did you get any equivalent offered to you?—No.

Chairman.

1339. What do you mean by saying you were deprived of that privilege; by what were you deprived of that privilege?—I mean to say that my service now will not count. I have passed nearly four years on furlough, and that does not count.

1340. But why?—Because the leave rules of 1862 are applied to me.

Mr. King.

1341. Were you never notified of the change?—Never; I went on furlough in 1866 on medical certificate; I had no option, I had to go. The leave was granted to me under the leave rules of 1862. I never was asked to exercise any option. I took it that I was bound to go under the leave rules in force, for I had got no option.

Chairman.

1342. When you came into the service you came in under the rules of 1855?—Yes, the pension rules of 1855.

1343. The leave rules?—The leave rules of 1856.

1344. You say the leave rules of 1856 applied to you; and that in 1862 some new leave rules were issued?—Yes.

1345. When did you apply for leave next?—In 1866.

1346. How did you apply for leave?—On medical certificate.

1347. Did you apply under the rules of 1862?—No, I did not think I had any option.

1348. Did you apply or not?—No; I did not make any special application as to any particular rules.

1349. In 1866 you applied for leave on medical certificate?—Yes.

1350. Did you get your leave?—I did.

1351. Did you get the leave to which you were entitled under the rules of 1862, or under those of 1856?—I got 20 months' leave under the rules of 1862. Under the 1856 rules I would

Chairman—continued.

have got 12 months, with the option of taking eight months more.

1352. Did you get your leave under the rules of 1862?—Yes.

1353. And not under the rules of 1856?—Not under the rules of 1856.

1354. Have you had any leave since?—Yes.

1355. Again under the rules of 1862?—Yes.

1356. What did you apply for on the second occasion?—On the second occasion I applied for furlough.

1357. Was it furlough to which you were entitled under the rules of 1862, but not under the rules of 1856?—Yes; the leave rules of 1862 were made applicable. There was no option allowed. It was stated: for the future these will be the leave rules; and they were made applicable with retrospective effect. It was not said, as the Court of Directors said, for instance, in 1855, "These rules are only to apply to men hereafter appointed."

1358. Were not the rules of 1862 more favourable than the rules of 1856?—I do not think so. For instance we could get the same amount of medical leave. We could get private leave for six months on the same terms twice in our service, and all that would count as service under the rules of 1856. If it had been put to me for instance, it would have suited me better to have taken the leave rules of 1856.

1359. But, as a matter of fact, you never did claim to take the leave rules of 1856?—I never did claim, because we understood that these were the leave rules, and that we had no option.

1360. Do I understand that you say you have been treated with injustice, although you never claimed your right?—When a Government introduces leave rules, and says "These are the rules," is it for the servant to protest, and say "No"?

1361. As I understand, you have never sent in any claim to the Government of India, to take leave under the rules of 1856?—No; I have never made any official claim.

Mr. King.

1362. Have you ever put forward any claim to be allowed to count your furlough for pension, on the ground that you came in under the terms of the rules of 1856?—No.

Chairman.

1363. You are not pensioned yet, are you?—No.

1364. The question of pension is *in futuro*?—Yes.

Mr. King.

1365. You would have been entitled to-day to the full term of pension under the leave rules of 1856, would you not?—No.

1366. You have been 31 years in the service?—I have been 31 years in the service. Then I should have had to get a medical certificate.

1367. You would have had to retire on medical certificate?—Yes; there is another point in connection with that. There was another rule brought

17 July 1890.]

Mr. STACK.

[Continued.]

Mr. King—continued.

brought in with retrospective effect; that is the compulsory retirement at 55, and that applies to me, and I will have to come under that.

Mr. Barbour.

1368. Do you think that a hardship?—Well, it was not in the conditions.

Chairman.

1369. As I understand you, your grievance is an anticipatory one; you have not yet been treated with injustice; you only think that you will be?—I have not yet been retired on pension.

Mr. King.

1370. You have not been allowed to count any term of furlough for pension?—No.

Chairman.

1371. The time has not come to claim to be allowed to count furlough for pension, has it?—No.

Mr. King.

1372. Your pension has not been fixed yet?—No.

Chairman.

1373. You are only afraid that retrospective effect will be given to these rules; you cannot say that it has been?—Not in my case; I cannot say that until I come to the time for the pension.

Mr. King.

1374. Do you know any case in which retrospective effect has been given to them?—I have not inquired, and I do not know that I could specify any.

Chairman.

1375. I understand your case to be one where you think the Secretary of State will give retrospective action to the rules against you. You admit that he has not done it yet, and that you do not know of any case in which he has done it?—That is so.

1376. It has been notified to you that if you take the benefit of the new leave rules, you must take the effect of the new pension rules too?—I know that that is so.

1377. But I understand you deny that in your individual case you have taken the benefit of

Mr. W. M. FLETCHER, called in; and Examined.

Chairman.

1382. I BELIEVE that you were appointed an uncovenanted officer in the service of the Government of India, in January 1866?—I was.

1383. Were you appointed by nomination of the Bombay Government?—By nomination, by appointment in the Government Gazette.

1384. Are you a member of the Revenue Survey Department?—Yes; I am the Superintendent of the Deccan Revenue Survey.

1385. Is it your opinion that no distinction should be made between officers who are recruited in India and those who are recruited in England?—Yes.

O.135.

Chairman—continued.

them?—As far as I know it was entirely unknown that that was intended, because I think it would have been the subject of general remark; that is to say, unknown to the uncovenanted service generally. And another most important point is that that condition was not introduced with the pension rules. Those were published on the 8th June 1863, and that notification, as I understand it, reading it up lately, was only published on the 9th March 1865, and that with reference to an individual case, so that it was very natural that we should not know anything about it. Surely it is only fair, when pension and leave rules are introduced, to say, "These are the conditions. If that had been done we would all have looked up and compared the two sets of rules."

1378. As I understand you, you thought, in the absence of any declaration to the contrary, that you were entitled to pick the benefits of the new leave rules, without, at the same time, rendering yourself liable to the new pension rules?—I never got any option; I mean to say that I think it is not fair to introduce new rules putting down new conditions of service, without giving me notice at the time, and saying "which will you elect." That was never put to me.

1379. On the other hand, it never was put to you that those rules would have retrospective effect, whether you would or no?—I never thought, for instance, that my taking the leave rules would prejudice my claim to pension; and how should I think it?

Mr. King.

1380. You were not aware of the Despatch (which is quoted upon page 59 of the case) by Sir Charles Wood, which says, "It must be understood that an uncovenanted servant will not be allowed to take his pension under the old rules if he has at any time availed himself of the benefits conferred by the new leave regulations"?—I was not at all aware of it.

1381. That Despatch was not published in India, was it?—When I took the leave rules I was not aware that that prejudiced my claim to a sterling pension; that is the point. There was nothing whatever to show me that it did. Now I am told that it did; and afterwards I was told that it did.

Chairman—continued.

1386. Why?—For many reasons. They are both recruited from exactly the same class; they fill responsible posts calling for similar qualifications. If you will allow me to illustrate it by my own case, I may say that I was educated at a public school, Marlborough; I was intended actually for the Civil Service. Before I was able to go up for the examination I was examined by Sir William Gull, the then President of the College of Surgeons, who pronounced me at the time physically disqualified; he could not give me the certificate which was required for the Covenanted Civil Service at that time. So my guardian sent me out for a voyage to India

M 2

to

17 July 1890.]

MR. FLETCHER.

[Continued.]

Chairman—continued.

to see my friends, my parents. While I was there I was offered an appointment in the Revenue Survey. At about the same time the standard of medical certificate required for the Covenanted Civil Service was altered, and it became a question whether I should return to England and go on with my preparation for the covenanted service, or accept the appointment which was offered me on the spot. I made inquiries through my friends, my father, who was in a position well able to learn all about it from his friends in the various services, and the result was that I accepted that appointment.

1387. Let me take the question of pension. You think you are entitled, when you retire, to a sterling pension?—I do.

1388. Is that on the ground that you had no reason at the time you joined the service to anticipate the present fall in the rupee?—I had no ground myself to anticipate any fall, and from the notifications and Despatches of the Government at the time, it was obviously the opinion of the Government itself that there would be no fall in the rupee, or that at all events they would continue to pay our pensions practically at par, or approximately at par.

1389. You refer to the Despatches of which evidence has already been given to the Committee?—Yes; and I refer to inquiries that I made at the time, through my relations and friends, the result of which was that up to, and for years after, my appointment the rupee was always looked upon as about the equivalent of 2s.

1390. Do I understand you to say that through your friends, at the time you entered the service, you made inquiries about the rate of exchange?—Certainly.

1391. Were you aware that your pension would be paid in rupees?—I was aware that the pension was to be 5,000 rupees, or 500 l.

1392. Were not you aware that pensions, at the time you entered the service, were paid in rupees in India, but if paid in London were paid at the official rate of exchange?—No; the result of the inquiries I made at the time, through my friends, and that my father made, was that pensions were paid at par in England.

1393. Were they paid at par without reference to the official rate of exchange?—So we understood; practically at par. That is what I understood at the time.

1394. When you say "practically at par," do I understand you to say that after all your inquiries you were ignorant of the fact that the rate at which pensions were paid in London depended upon the official rate of exchange?—The result of my inquiries was the conclusion that pensions would be paid practically at 2s. to the rupee.

1395. That is not quite my question. My question is, were you ignorant of the fact?—I understand what you mean, I think.

1396. Do you know as a fact now, after all that has been published and said upon the subject, that at the time when you were appointed the rate at which pensions were paid in London depended, as a matter of fact, upon the official rate of exchange?—I know there is a clause to that effect in the rules of 1863 or 1864.

1397. Now do I understand you to say that

Chairman—continued.

at the time you joined the service you were ignorant of that fact?—It is so long ago that I cannot say whether I remember the phrase "official rate of exchange" or not.

1398. Then you do not know whether you were ignorant of that fact at the time you joined the service?—Not as to the official rate of exchange. I am quite clear that I was aware of the fact that pensions would be paid approximately at the equivalent of 2s. to the rupee. The rules also of 1864 mentioned salaries in rupees and pensions in sterling.

1399. Did not they mention the rupees and sterling?—Yes, that is so.

1400. They treated the pound sterling as the equivalent of 10 rupees?—Yes.

1401. How long have you got to serve in India before you get a pension?—Thirty years under those rules.

1402. Do you consider that too long?—Certainly I consider it too long.

1403. Have you anything fresh to say upon that head, that has not been brought before us by any other witness?—I am not aware that I have anything more than has been already offered you on that subject, and is included in the printed case that has been handed to the Committee.

1404. Then with regard to the rule that service before the age of 22 does not count towards pension, have you anything to say about that that has not already been said?—Yes; I myself was appointed at about the age of 19½, and within about nine months from that time, or say a year (it was rather less than a year), I had qualified for independent charge of a field establishment, and was put in charge of a field establishment. I passed the prescribed examinations, and was put in charge of a field establishment; therefore at the age of 20½ I was already performing independent duty; and I think it is unfair that that should not be allowed to count for pension, that was perfectly efficient duty.

Mr. Buchanan.

1405. At the time you were appointed you did not look very narrowly into this clause as to the payment of your pension according to the official rate of exchange, I gather?—That clause was always looked on at that time as merely a provision to protect the Government against a rise in the rupee; that was the sense in which everyone at that time took it.

1406. You knew or were told that at that time the rate of exchange did equal 10 rupees to the £.?—Yes, approximately.

1407. And you did not make any further inquiries into the subject?—That was not all; my father made many inquiries. I remember his saying distinctly that he was quite satisfied that 500 l. pension was what I might look forward to.

Mr. Howorth.

1408. You said just now that you thought the conditions of the men who are domiciled in India should be put upon exactly the same footing as men who are domiciled in England and enter the service from India?—No, excuse me, I have never said anything about domicile. I have said that officers, such as I am speaking of, officers of departments,

17 July 1890.]

MR. FLETCHER.

[Continued.]

Mr. Howorth—continued.

departments, appointed in India, should have the same terms as those appointed in England.

1409. Are a large proportion of these men men who are domiciled in India?—No; in my department, none. All the officers of the Revenue Survey hold appointments which were specially mentioned by Sir John Lawrence in his Despatch on the subject as being not fit to be held by natives of India at present, or for a very long time to come. They were appointments which he considered, and regarding which the Government of India has on many occasions expressed the same opinion, should be held by English gentlemen recruited from the same classes as the Covenanted Civil Service.

1410. Is the whole of your service uncovenanted?—No; the department was in the first instance started by a Royal Engineer officer, Sir George Wingate, and it has been officered by uncovenanted men and military men in civil employ all along. I have risen in the department alongside of military officers, and they have been my subordinates also. There has been no differ-

ence made between us in the actual work on which we were employed or the pay we drew; but there is a very great difference made between us in our leave and pension rules.

Mr. King.

1411. You referred to a Despatch of Lord Lawrence's with regard to the Revenue Survey Department to which you belong; have you got it here?—I have it.

1412. Will you read to the Committee a short extract from it?—It is Despatch No. 703, of 30th January 1869 (page 9 of the Case). The quotation is paragraph 7.

1413. Then you need not trouble to read it. I did not know it was in the case?—That is the one I referred to.

1414. Does any of your furlough count towards pension?—None of my furlough.

1415. The Government have granted to the Engineer Telegraph Department the right to count a certain proportion, have not they; I mean the Secretary of State's men?—They have.

Mr. THOMAS JONES, called in; and Examined.

Chairman.

1416. ARE you a Judge of the Small Cause Court at Calcutta?—I am one of the Judges of the Calcutta Presidency Court of Small Causes.

1417. When did you enter the service of the Government of India?—My appointment was dated the 2nd September 1856.

1418. Were you appointed by competition or by nomination?—Competition had not been introduced at that remote period, if I may except the fact that competitive examinations for posts in the public service in Calcutta were first of all devised and carried out by myself.

1419. Then you entered by nomination?—By nomination.

1420. Who gave you your nomination?—The Lieutenant Governor of Bengal, Sir Frederick Halliday, through the nomination of Sir William Grey.

1421. Have you anything to add to the evidence which has been given before the Committee upon the subject of the depreciation of the rupee?—I think I have.

1422. Will you tell us anything that you have to add?—Mr. Jenkins' evidence has made it clear that uncovenanted pensions range under three several sets of general rules, namely, the rules of 1831, 1855, and 1863-64. The printed abstract of the case treats of the pension question under two heads (A) and (B), but the views which have been expressed by the Right Honourable Chairman in regard to (B) (having reference to Section 2 of the Code) will relieve the members of our service of an incubus of anxiety, and it will not therefore be necessary for me to dwell upon that feature of the case. It is now rendered clear to the service that pensions are governed by the rules in force at the time when an officer enters the service; that officers appointed prior to the 19th May 1855 will be admitted to pension under the rules of 1831, and that, both in their case and in that of officers 0.135.

Chairman—continued.

appointed subsequently up to 1859, the provisions of the rules then in force were ratified and continued to them by the Statute of 21 & 22 Victoria, chapter 106. I shall not take up the time of this Select Committee by stating what has been already described by Mr. Jenkins, as regards the conditions and advantages of the different rules, but it is worthy of note that those original rules were framed by the Civil Finance Committee of Bengal, of which Mr. J. Holt Mackenzie (a great Indian administrator) was a member, and the list of public officers appended to their report shows what was the character of the uncovenanted service to whom the rules were intended to apply; and that list, as drawn up by the committee, is subjoined to the rules themselves. It embraces a number of different officers, beginning with the officers at the head of public departments, secretariats, and so forth, registrars, head clerks, and accountants, indexers, examiners, readers, librarians, record keepers, translators, interpreters, &c. At that time European officers were not appointed to posts of the descriptions embraced in this list, but from an annotated copy of the rules of 1831, which was published in the Bengal Directory and Annual Register, it will be seen that officers of the Trigonometrical Survey were afterwards admitted to the benefit of those rules. Subsequently it will appear from the Despatch of the Government of India, No. 67 of 1854, that important appointments, such, for instance, as that of Senior Magistrate of the Calcutta Police, the Postmaster General of Bengal, and others with salaries ranging from 800 rupees up to 2,000 rupees a month, were brought within the operation of those rules of 1831. Having been appointed in 1856, the exposition which I will have to submit will have reference more particularly to the rules of 1855. As regards the rates of 400 l. and 500 l. which were specified in

17 July 1890.]

Mr. JONES.

[Continued.]

Chairman—continued.

in the Despatches and in the notifications of the Government of India, I respectfully submit that the whole question is, what was understood at the time when officers entered the service at the several periods of the rules already quoted? I do not refer to what was understood by the officers themselves, although they of course saw only the Despatches of the Government of India and the notifications, in both of which the amounts of pensions were specified in sterling. They also had the examples before them of the pensions drawn by their contemporaries at the sterling equivalents of their half salaries. I may be permitted to refer to a few individual cases, as to which I have all along been under the impression that the officers concerned drew their pensions in sterling. These are all cases of men with whom I was personally acquainted, beginning with Mr. Burlton Bennett, who was Postmaster General of Bengal. After having served as Deputy Postmaster General at 700 rupees a month, he was raised to a salary of 1,500 rupees a month, and the pension in his case, as set forth in minutes in the Blue Book and in the evidence of Sir Thomas Seecombe, was 631 l. 16 s. In the case of Mr. Macleod Wylie, who was a judge of the Small Cause Court of Calcutta, after having served as Junior Magistrate of Police for some years, we find a pension accorded to him of 800 l. Mr. W. H. Smoult, who was a taxing officer of the Supreme Court (but I forget what the salary was), was allowed a pension of 720 l. Mr. Burlton Bennett was succeeded by his Deputy Postmaster General, Mr. C. K. Dove, on the same amount of salary, and he retired on a pension of 600 l. The probability is that those pensions were calculated with reference to the average of five years prior to their retirement, that is, partly on a salary of 1,500 rupees, and partly on the lower salary of the Deputy Postmaster General of 700 rupees per month. In another case, Mr. Crank, who was an officer of the Salt Department, who drew 500 rupees a month in India, was allowed to retire on a pension of 500 l., and these figures are, as I have stated, taken from the evidence given by Sir Thomas Seecombe.

1423. All this information has been already put in?—I was not aware of that.

1424. We have a list of all the pensions granted?—Then I will proceed, with your permission, to say that even up to 1870 the Government Resolution, dated the 1st July of that year contains no fewer than 20 specific references to the amount of pensions ordered by the Court of Directors and the Secretary of State, the amount of which is in every instance expressed in sterling; while in the orders of the Government of India the like amount is stated in sterling with the rupee equivalent, the sterling expression being employed apparently to indicate the rate of pension for servants retiring to Europe, and the rupee limit as applying to the more numerous class of uncovenanted servants whose home is India. The question, as I have said, is not what was understood by the officer, but what was he expected by the Government who sanctioned the rules to understand; in other words, what were the precise intentions of the honourable Court of Directors and the Secretary of State? I

shall, in the first instance, respectfully beg attention to the statutory principle which underlies the grant of official pensions. In the Pensions and Allowances Act, 4 & 5 Will. 4, c. 24, it is laid down: "the principle of the regulations for granting allowances of this nature is and ought to be founded on a consideration not only of the services performed by the individual to the State, but of the inadequacy of his private fortune to maintain his station in life."

Mr. Barbour.

1425. Is that in the contract in any way with the public servants?—No; I am referring to the Pensions Allowances Act as enunciating the principle upon which the grant of pensionary allowances is in the case of public servants entirely based; and I proceed to argue. It has been seen that the half-pay limit was reduced in 1885 distinctly to meet the case of Europeans on high salaries. It is stated in the Despatch that, "in the case of certain highly paid appointments the occupants were entitled under the rules of 1831 to half-pay pensions varying from 500 l. to 1,200 l. per annum." The rules being considered "defective in this particular," a limit was fixed at 500 l. Now, then, it may be asked, was this particular figure arrived at; and why were uncovenanted pensions thus limited to 500 l.? Because "the pension" (say the Government of India) "allotted to covenanted civil servants free of payment is only 500 l. a year after 25 years' service; and in the honourable Court's Despatch, after stating that uncovenanted officers receive a half pension varying from 500 l. to 1,200 l. per annum, it is added, "Whereas the covenanted servant after 25 years' service receives a pension from the Government of only 500 l. in any case." Thus it would appear that inasmuch as the unsubscribed half moiety of the pension of the covenanted officer had been fixed at 500 l., the Government of the day considered that that might and should form the maximum limit of pensions of uncovenanted servants. Now we have no contemporaneous exposition of the meaning and force of those particular portions of the Despatches which I have read. They must be considered, therefore, to explain themselves; and seeing that the new rules and restrictions were designed specially to meet the pensionary necessities of retired uncovenanted officers on high salaries, while the maximum rates of 500 l. and 5,000 rupees were practically identical, it is submitted that it appears certain that the sterling rates specified in the Despatches and notifications expressed the precise measure at the time of the intended pensionary support for the superannuated officer. In brief, it is submitted that what was intended to be expressed, and was expressed, was not merely the amount, but the value, of the pension allowed to the retired uncovenanted officer. Assuming only that the statutory principle already referred to was present to the minds of the framers of the rules, it is quite certain that the values expressed by 400 l. and 500 l. were intended and continued alike by the rules of 1855 and the Statute 21 & 22 Vict. c. 106. This distinction between the amount of the pensionary allowance and its actual value was a consideration

17 July 1890.]

Mr. JONES.

[Continued.]

Mr. Barbour—continued.

a consideration dwelt upon by the Civil Finance Committee at the time of framing the original rules. Repeated orders, passed at different periods, prove that both the honourable Court and the Secretary of State were disposed towards a liberal and equitable application of these pension rules. It was impossible to foresee what was described by Sir Thomas Seecombe as "the difficulties of exchange, and dangers of remittance," and the matter of exchange was considered merely as a question of convenience. At the time when, in 1863, the Secretary of State wrote that the official rate fixed on the intrinsic value of the rupee "appears to be equitable for the payment in England of the pensions of uncovenanted servants," that rate was 2 s. the rupee, whilst the market rates are shown to have varied between 1 s. 11½ d. and 2 s. 5½ d. Apparently, therefore, it was the value of the remittance at the time which was regarded as "equitable" for the payment of pensions in England. If the Select Committee will permit me to suppose the case, not of silver, but in place of the depreciated value of the rupee, the calamity which has befallen silver had overtaken gold, if the yield of auriferous tracts recently discovered in Wales, at the Cape, and elsewhere, had produced —

1426. Is not this rather an argument than a statement?—I would only say that no uncovenanted servant would have presumed to ask the Government of India to allow him, if he was drawing his pension in England, to draw it in rupees in India.

Mr. Barbour—continued.

1427. Would you tell the Committee what was the amount of salary you were receiving in 1862?—I am not quite sure; but it exceeded 1,000 rupees a month.

1428. In 1862?—In 1862. At that time I held the office of registrar of the Bengal Office.

1429. You held the office of registrar of the Bengal Office and were receiving more than 1,000 rupees a month?—Yes.

1430. And you are receiving a salary of 1,300 rupees a month as a judge of the Small Causes Court?—Yes. Might I be permitted to state the case of the judges of the Small Cause Court? At the present time there are four judges, the whole of whom are barristers. At the time the Act, with the rules, of 1864 came into operation, it was by that Act prescribed that one judge of the court should be a barrister; and the first judge of the Small Cause Court retires on a pension of 750 l. a year. Since then the work of the court has a very largely increased, and other barristers are appointed to the different judgeships. They retire, under the rules, upon a pension, it may be of 500 l. per annum, which, at the present rate of exchange, is reduced to a sum of something like 340 l. I have a Paper (if I may be permitted to put it in) bearing upon this subject.

1431. You may hand in any Paper you like?—It is a Paper prepared by one of my colleagues.

1432. Perhaps you will hand in that Paper; that will give us the information. (*The Paper was handed in.*)

The LIST of PENSIONERS is as follows:—

		Salary.	£.	s.	d.
J. R. B. Bennett	- Postmaster General of Bengal	- 1,500 rupees	- 631	16	-
C. K. Dove	- Postmaster General of Bengal	- 1,500 "	- 600	-	-
M. Wylie	- First Judge, Small Cause Court	- 1,500 "	- 800	-	-
W. H. Smoult	- Taxing Officer, Supreme Court	- —	- 720	-	-
Captain Burbank	- Master Attendant's Department	- 500(?)	- 570	-	-
G. B. Hampton	- Deputy Collector	- 700 "	- 402	6	-
F. Crank	- Superintendent of Salt Chowkies	- 500 "	- 500	-	-
E. W. Hoppner	- Surveyor General's Department	- 500 "	- 276	-	-

These rates of pension are taken from the Parliamentary Report on East India Finance, 1872.

Other witnesses having been examined respecting the operation of the Furlough Rules, I was desirous of having an opportunity of answering the like questions. All I desired to say was:—

1. Looking to the arduous nature of the duties performed by judges of the Presidency Small Cause Courts, also their special training and attainments, they desire to be put upon a position (as regards furlough counting as service) not less favourable than their brethren in the Public Works and Telegraphs.

2. I do not perceive any necessity for reducing the limit of age for computation of period for pension. Mr. Hynes, while asking for a relaxation of the rules, acknowledged that there should be some limit of age. A few months ago an East Indian lad of 14 took his B.A. degree at Bombay. He would be qualified for the public service at 15. Twenty-five years added to the age of 18 or 20 would leave a man in the prime of life. When I was Assistant Secretary to the Government of Bengal I was employed largely in the reorganisation of Public Departments in Calcutta, also at Madras, and I am warranted in saying that uncovenanted officers (especially Europeans) are usually at their best at the age of 60—55.

17 July 1890.

MR. PAGET VYVYAN LUKE, called in; and Examined.

Chairman.

1433. ARE you in the Telegraph Service of the Government of India?—I am.

1434. Did you join in 1868?—I did.

1435. Did you join by nomination or by competition?—By both competition and nomination.

1436. What is called limited competition?—Limited competition.

1437. What you come to speak to the Committee about is merely the question of the exchange value of the rupee?—That is all.

1438. Have you got anything fresh to say, beyond what has been said by other witnesses?—The point I wish expressly to bring before the Committee is that I and others who hold similar covenants come under exceptional covenants.

1439. Do you speak for the whole Telegraph Department?—No; I speak for those who hold similar covenants to mine.

1440. Is your covenant printed in the case?—My covenant is not printed in the case. I have copies of the covenant here (*handing in the same*), and I have my own original covenant.

1441. What is the particular point in the covenant to which you wish to draw our attention?—I wish first of all to direct the attention of the Committee to the prospectus which set forth the agreement we were led to expect when we joined the Department, and to point out that in that prospectus the whole of the emoluments are given in pounds sterling, to mention whatever is made of rupees; the salaries are set forth in pounds sterling. No mention whatever is made of the word "rupees."

1442. The date of the contract is 1867, is it not?—I wish to be allowed to read certain extracts from the covenants.

1443. One of those had better be handed in to the Committee Clerk, and a copy of the agreement too?—I will hand them in. (*The documents were handed in.*)

1444. What is the point you have to mention?—I wish to draw attention to the articles of agreement, or the covenant which I entered into with the Secretary of State before taking up my appointment. Under the marginal reference of "Salary," it is stated that my pay was to rise from 240*l.* per annum, by annual increments of 30*l.* to 500*l.* per annum. Under the marginal reference "Furlough allowance," it is stated that when absent on leave my salary was to be regulated in accordance with the rules of the Public Works Department, and under the marginal reference of "Pension" it is stated that I shall be entitled to the benefit of the pension rules applicable for the time being to persons appointed to the Public Works Department. Following these clauses, under the marginal reference, "Rate of Exchange" is the following proviso: "And it is agreed that in all payments to be made under these presents the pound sterling shall be considered equal to and calculated after the rate of 10 rupees." Farther on, under the marginal reference of "Penalties," it is provided that in case of absence without leave I should pay a fine

of 20*s.* per diem for every day so absent, and that in the case of quitting the service without notice, I should pay 200*l.* as damages. I would ask the Committee what was the idea in the mind of the person who fixed the scale of emoluments? After reading the terms in which the prospectus and covenant are couched, what other interpretation could any young man place upon them except that it was the intention to convey the meaning that 10 rupees in India and one pound in England were one and the same thing.

1445. Are you paid in rupees or in sterling now?—My salary is paid in rupees. My furlough allowance is paid in sterling. I have never had to pay a fine of 20*s.* a day for absence without leave, so I am unable to say what rate would have existed for the conversion of shillings into rupees for payment in India; but I have always had my salary paid in rupees, and my furlough allowance in sterling. I contend that the only possible interpretation which could be placed upon them by any young man reading these conditions was, that whatever payments had to be made under the terms of the covenant would be made at an equivalent rate of 10 rupees to the pound sterling.

1446. Do you contend that your salary ought to be paid in sterling?—No; I merely state that it has been paid in rupees.

1447. You do not contend that your salary ought to be paid in sterling?—It depends. If I am entitled to the 10 rupees to the pound, then I ought not to get my salary at the current rate of exchange; but according to the covenant I have agreed to accept 10 rupees to the pound, and I have hitherto always accepted it at that rate. I have never raised any complaint about that.

1448. Then I do not quite understand what your grievance is as respects this?—I wish for an assurance that when I come to draw my pension I may also draw whatever pension I may earn at the rate of one pound to 10 rupees. I contend that reading the articles of the covenant, it was, at any rate, a very likely interpretation that any young man would put upon this, that he might possibly, if he lived long enough and served long enough, earn a pension of 500*l.* per annum, paid in his own country at the date of his retirement. Certainly, if the depreciated value of the rupee is to be taken into consideration as regards payments to be made in England, why not also as regards payments made in India. In which case salaries fixed in pounds sterling would be payable in India at the current rate of exchange and not at the rate of 10 rupees to the pound. My contention is that pension as deferred pay is a payment to be made under the covenant or articles of agreement, and that, as all payments under such covenant or articles of agreement were fixed at the rate of 10 rupees to the pound, pensions should also be paid at that rate.

1449. Do you know that Sir Horace Davey interpreted that proviso differently to what you interpret?—I do not understand the legal view of

[Continued.]

MR. LUKE.

17 July 1890.]

Chairman—continued.

of the question at all. I am merely putting forward our contention.

1450. You are putting it forward on moral grounds; that, whatever the legal interpretation, a man would suppose that the words "all payments made under these presents" would include pension?—I think certainly they would. I think anybody starting in life would look forward to the 500*l.* a year which he was given to understand was the maximum he might earn under the rules if he lived long enough and served long enough.

1451. And in fact you say that it required the legal acumen of Sir Horace Davey to discover that?—Yes, certainly it did. I have not that legal acumen to discover it myself.

MR. BACHAMAN.

1452. Your grievance is confined to pension?—Entirely.

1453. Are there many other gentlemen serving under this agreement?—Originally there were 72 of us held these covenants; I suppose now there are between 50 and 60 left.

1454. Have any of them qualified for pension yet?—Three gentlemen have qualified for pension, and their pension has been paid, I believe, at the rate of exchange; and that is what leads me to think that when my time for retirement comes it will apply to me at the same rate.

1455. Have they made any formal complaint upon the subject?—No; I believe they have made no formal complaint.

MR. BRISTOWE.

1456. I understood you to say that in your covenant there was no mention made of rupees at all?—I do not say in the covenant. In the prospectus there is no mention made of rupees.

1457. Then you agreed to take rupees in India?—I agreed to take rupees whilst in India.

1458. The covenant was different to the prospectus; that is all, is it not?—The covenant was different to the prospectus. I would submit that my right to a pension, and, therefore, to the payments in respect thereof, was created by the articles of agreement; and that, as all payments under the agreement are to be made at the rate of

MR. BRISTOWE—continued.

10 rupees to the pound, I respectfully submit that a liberal view should be taken of the covenant or articles of agreement, as a whole, and that upon my retirement the Government should not seek to exclude the operation of the fixed rate in case of payments to be made in respect of my pension. I have no wish to occupy the time of the Committee with further arguments. Memorials on the subject have recently been submitted by a number of officers concerned to the Right Honourable the Secretary of State for India, in which their claims to pension at par are fully set forth, and to these memorials, especially those from Mr. C. E. Pitman and Mr. E. C. Bird, I beg to solicit a reference, should additional information be wanted.

1459. You speak for the class of public servants who hold under these covenants?—Under these covenants. The statement made in the House of Commons on the 31st May 1889 by the Under Secretary of State for India, to the effect that there was every disposition to deal generously with individual cases, and that where any officer could show that by the exceptional character of his agreement he was entitled to be paid in sterling, in sterling he would be paid, has raised our hopes and led us confidently to expect that our pensions will be granted to us at the rate of exchange fixed in our covenants, namely, at 10 rupees to the pound sterling, payable in England.

Chairman.

1460. No one has yet actually raised the point?—Only three gentlemen have retired, and that recently, under this covenant.

MR. HOWORTH.

1461. Were you in the Afghan War?—I was.

1462. What post do you fill now?—I am a director of telegraphs in India. I am director of construction. I have charge of the construction of all the lines in India.

1463. Were you decorated for your service in the Afghan War?—I was. I have got the medal, and was created a Companion of the Indian Empire.

Tuesday, 22nd July 1890.

MEMBERS PRESENT:

Mr. Barbour.
Mr. Bristowe.
Mr. Buchanan.
Sir John E. Gerst.
Mr. Howorth.

Mr. King.
Mr. MacNeill.
Mr. Alfred Pease.
Sir William Plowden.

THE RIGHT HONOURABLE SIR JOHN E. GORST, IN THE CHAIR.

Mr. JAMES WRIGHT CHISHOLM, called in; and Examined.

Chairman.

1464. WHEN did you join the service of the Government of India?—In August 1852.

1465. By competitive examination or by nomination?—By nomination. I received that nomination from Mr. Muir, now Sir William Muir.

1466. What was he?—He was Secretary to the Government.

1467. You served for how long in India?—Over 37 years.

1468. Mostly, I believe, in appointments which are generally held by covenanted civilians?—For 29 years in appointments which are usually held by covenanted civilians.

1469. Have you now retired on a pension?—I have now retired on a superannuation pension.

1470. Of what amount?—The ordinary pension, 5,000 rupees, with an additional 1,000 rupees for services of extraordinary merit.

1471. Have you got anything new to tell the Committee about the grievances of the service?—I do not know that I would occupy the time of the Committee very much by reading my case, if I might be allowed to do so. Of course, I may preface it by saying that the case is still pending.

1472. Instead of reading your case, would you just tell us shortly its main points; and whether there is anything you wish to add to the evidence which has been already given?—I have the disadvantage that I have not been here every day; I was only able to come one day. I was laid up and could not come.

1473. Is there anything in your case that differs from the general case already laid before the Committee?—I will state it very shortly if you will allow me; it is not a very long case.

Mr. Barbour.

1474. Is this a general or a special case?—It is a general case so far as it applies to all deputy commissioners, all men in civil employ. It applies practically to all the heads of depart-

ments. The grievance is this, that the pension is limited to 5,000 rupees (of course, leaving out the special 1,000, which is a special case), which until very lately only represented 330*l.*, and, of course, where the rules have been applied retrospectively that operates very harshly. I will state the case very shortly.

1475. Did you say that your case was *sub judice*?—It has been disposed of by the Government of India under the rules.

Mr. Bristowe.

1476. Do I understand that you have, or that you have not got a legal case going on with the Government?—Oh, not at all. I have no legal case going on with the Government at all.

Chairman.

1477. Then the Committee would like to hear your case; state it as shortly as you can?—I entered the service of the Honourable East India Company in August 1852, and retired under the 55 year rule, necessitated by impaired eyesight, on a superannuation pension, in September 1889. I thus served the Indian Government for a period of over 37 years. For the first eight years of my service I held strictly uncovenanted appointments, and for the remaining 29 years appointments usually held by covenanted civilians. When I retired I was commissioner of division and sessions judge, an office which I had held for some nine years, on a salary of 30,000 rupees per annum. At the time that I entered the service the pension rules in force for uncovenanted servants were the Rules of 1831. The following was the rule in regard to pensions on medical certificate after 30 years' service, "If the period of actual service shall have been 30 years or upwards the amount of the pension shall not exceed one-half of the salary or authorised allowance of the individual, calculated on an average of five years previously to the date of application for pension." As regards superannuation pension, the

22 July 1890.]

Mr. CHISHOLM.

[Continued.]

Chairman—continued.

the Court of Directors authorised the Government of India "to grant to any uncovenanted servant belonging to a class recognised by the present rules, who, though not possessed of a medical certificate of incapacity may be permitted to retire from the service, and who can produce unquestionable testimonials of a faithful and efficient discharge of his duties during a period of 35 years, a pension equal to half the average salary which he may have received during the last five years of his service." There is a distinction to be noted in the wording of those rules. The invalid pension after 30 years' service was not to exceed one-half the salary; the superannuation pension, after 35 years' service, was to equal half the average salary, provided the service rendered was of a faithful and efficient character. In 1855 the question of the revision of the rules came under consideration, and the Court of Directors fixed, in the case of persons subsequently entering the service, 500*l.* as the maximum pension which any uncovenanted servant could receive. I need not read the order perhaps.

1478. This appears to be only a repetition of what we have already had?—I will not quote the order, but will proceed with my statement. This order, in accordance it is believed with well-established precedent in all such cases, was prospective in its application, and was published by the Government of India on the 19th May 1855, notifying to the service that the limits of pension thus prescribed would be enforced as regards all uncovenanted servants appointed after that date. All officers therefore already in the service had, on the strength of these orders, every reason to expect that their pensions would be permanently regulated by the Rules of 1831, and the rights and expectations which the orders acknowledged continued to be maintained when the company's rule ceased, and the Indian Empire passed under the direct government of 1858 Crown. The Government of India Act of 1858 effectually protected these rights of the uncovenanted service in common with rights appertaining to the other services. Notwithstanding this, the rights were finally withdrawn by the Financial Department Notice, No. 2428, of 8th June 1863, and the orders of 1855 limiting pensions to a maximum of 500*l.* were declared retrospective in their application. So far as I know this is the first order of the Government of India affecting the rights and interests of its servants which in its operation was declared to be retrospective. It affected not only the men whose claims had been reserved under the orders of 1855, but all the men in every Department who entered the service during the intervening eight years, namely, from 1855 to 1863. I need not go on with the rules if the Committee do not wish it. They have been quoted already in the general case. In the Despatch on the subject it was stated that, "The uncovenanted service, it seems to us, cannot claim to have any rights under the Rules of 1831 beyond what may be considered to arise out of the general pledge which those rules may be taken to give, that a member of that service when rendered incapable of further duty shall not be discharged without some pensionary 0.135.

Chairman—continued.

support"; and, again, "we incline to think, notwithstanding the difficulty which is undoubtedly caused by the proceedings of 1855, that even now it will be better that the Government should assert its rights to alter the Rules of 1831 as regards all appointments clearly not embraced by the original intention of those rules, and to declare such alteration applicable to all uncovenanted servants whether they entered the public service before 1855 or since." The pension rules then issued gave effect to these views, and this may explain why they were made retrospective. No rights or claims had been left to reserve. It was in these rules for the first time that all service rendered before the age of 22 was declared not to count as pension service at all, and which has caused great hardship to a large number of men in every branch of the service. I will illustrate the effect of the new retrospective pension orders in my own case. On retirement I was entitled, to use the term employed in the Despatch itself, to a superannuation pension under the orders of the Court of Directors equal to half my salary, or 15,000 rupees a year. Instead of this I have secured, under rules which had no existence when I entered the service, but which have been applied to my case, an ordinary pension of 5,000 rupees a year, and 1,000 rupees in addition for services of extraordinary merit, altogether 6,000 rupees a year instead of 15,000 rupees a year. Taking then the rules as they stand, and apart for the moment from all question of old orders, the result is that in the whole range of uncovenanted appointments all over India in every branch of the State Administration, judicial, revenue, public works, police, and so on, a man may rise to be head of a department, deputy commissioner of a district, commissioner of a division, inspector general of police, chief engineer of a province, in fact to the most important and onerous office, and yet at the end of his career a pension of 500*l.* is no longer attainable, for 5,000 rupees has until quite recently been about 330*l.* a year. The men who rise to these exceptional positions must presumably, as in other professions, be men of exceptional energy, industry, resource, and capacity, but however high they rise a Secretary of State has ruled in 1864 that when an officer, being an uncovenanted servant, is promoted "to an office to which a salary exceeding 10,000 rupees per annum is attached, he is not to be granted an increased pension in consequence of the increase to his salary." Concessions may be made in individual cases to palliate the hardship, but I take the broad fact to be that the rules operate as stated to the detriment of the State, and the disheartenment of its servants. The higher an officer rises the heavier the fall on retirement, and every Department suffers from men clinging to the service till forced to leave under the 55 year rule. In my own case I memorialised the Government of India, but the Government of India regulated my pension according to the rules as they stand, giving me the highest pension the rules admit of. I have since memorialised the Secretary of State, but my memorial has been returned for submission through the Government of India, and this has been

22 July 1890.]

Mr. CHISHOLM.

[Continued.]

Chairman—continued.

been done. I can read paragraphs from the memorial if you think it necessary.

1479. I do not think the Committee would care to hear it. We have heard all this over and over again?—The sole point raised therefore in mine and analogous cases is whether a Government is justified in issuing rules affecting the rights and interests of its servants with retrospective application, and especially whether this is justifiable when a pledge has been given that the rules in question shall not have retrospective effect. Personally, I should have had no ground for complaint if the Government had said, Looking at the whole circumstances of your service, and to the fact that you have held covenanted appointments for 29 years, we allow you the same pension as Government grants to a covenanted civilian after 25 years' service, namely 700*l.* a year. But as it is, rules have been applied which in reality do not apply to the case at all. That is, in short, my case.

Sir William Plowden.

1480. What would these rules which have been changed with retrospective effect, have given you if you had retired under them?—15,000 rupees a year.

1481. It does not necessarily follow that you would have had that, does it?—The Despatch does not say so. I retired from the service after a period of over 37 years' service.

1482. Under medical certificate?—Under the 55 years' rule, which is practically the same thing.

1483. The original rules which came out after you entered the service, what pension would they have given you?—However that is applied (I have already read them) they amount to this: that the pension shall not exceed half salary.

1484. They would not have given you a pension at all, would they, unless the Government had consented to give you one?—It is exactly as you read this statement (this is the actual wording of it): "If the period of actual service shall have been 30 years or upwards, the amount of the pension shall not exceed one-half of the salary or authorized allowance of the individual." I would not pretend to interpret that in any way. That is the actual wording of it.

1485. But to obtain that you must have a medical certificate, must you not?—I retired under the superannuation pension. The part that refers to me is this, "We authorise you to grant to any uncovenanted servant belonging to a class recognized by the present rules" (those are the Rules of 1831), "who though not possessed of medical certificate of incapacity," of course the present rules entitle you to retire at 55.

1486. We must not mix up the old rules with the new rules. As I understand the rules, they are rules not absolutely entitling you take a pension, but giving to the Government the power to give you a pension?—Of course I was permitted to retire; the actual words used are: "May be permitted to retire." I should not have retired unless I had been permitted, in fact I should not have retired at all if it had not been

Sir William Plowden—continued.

that my eyesight was so much impaired that I might have been reduced to blindness if I had returned to India and joined my appointment again; otherwise I should not have retired from a position of 30,000 rupees to a pension of 5,000 rupees.

1487. In the position you occupied originally in 1853, the Government were not bound to retain your services, were they? Not at all, they might have dispensed with them.

1488. You were not in the position of a covenanted servant who had a claim to have his services retained?—Not at all. My services were retained, though they might have been dispensed with; I was retained in the service. The Government could have dispensed with my services no doubt if they had chosen to do so.

1489. If you had refused to accept the revised rules the Government could have dispensed with your services, could they not?—I have no doubt they could. I was deputy commissioner of a district when the rules came out.

1490. Whatever the position you held was they could have dispensed with your services, could they not?—It depends entirely on the interpretation you put upon that statement. As regards a servant who has served the Government for the length of time I have mentioned it is not usual for any Government to say, "we dispense with your services."

1491. I do not ask you what is usual, but what is the fact?—I can give you no opinion upon that; I knew no case where an officer in Government service has been told, "we dispense with your services; we want you no longer."

Mr. King.

1492. As an absolute fact you never did accept the new rules, did you?—No, I did not accept the new rules of 1862-1864. I never accepted them. They would have injured my case.

1493. You never were given any option in the matter, were you?—No, no option at all.

1494. In all the Despatches of the Court of Directors and subsequently, it is admitted that for good and faithful service subsequently qualified as "services of extraordinary merit" you would have been entitled under the Rules of 1831 to half pension?—That is so.

1495. And in your case the Government have recognised "extraordinary merit" by giving you an extra thousand rupees a year?—Yes. I may say my case has not been finally disposed of. It is still under consideration of course by the Secretary of State; but so far as the rules apply the case is pertinent, because of course under the rules the Government of India could not give me more than 5,000 rupees pension.

1496. Surely it was not optional with the Court of Directors or with the Governor of India as to whether they would give the pension or not under the Rules of 1831, was it?—I should say not, looking at the rules.

Chairman.

1497. Surely that is a matter to be construed from the rules themselves, is it not?—Yes, from the rules themselves; an individual opinion of course is different altogether.

22 July 1890.

Mr. HERBERT E. WATSON, called in; and Examined.

Chairman.

1498. WHEN did you enter the service of the Government of India?—In 1864.

1499. In what capacity?—I was appointed to the Scinde Commission by the Government of Bombay.

1500. Was it by nomination or by competitive examination?—By nomination.

1501. Who nominated you?—I left England on the promise of an appointment in the Scinde Commission, and I was appointed under the rules then in force at the age of 18.

1502. I asked who nominated you?—The Commissioner in Scinde, Mr. Mansfield.

1503. Have you got anything to say upon the grievances of the uncovenanted civil servants which has not been said already?—I wish to point out the hardship of the present rules as they affect my case and one other case. I entered the service at the age of 18.

1504. Is there anything different in your case to that of the other cases which have been already so numerous laid before us?—No, except that I lost rather a longer period of service than is shown by anybody else.

1505. Instead of giving us the whole of your case would you point out to us in what particulars it differs from those which have been already laid before us?—Well, I lose much more service than anybody else who has given evidence, I think.

1506. On what ground?—I can only do it by stating my case. I will do it very briefly.

1507. Could not you tell us how you come to lose more service than any other witness who has appeared before us, without going through the whole case?—I lost four years before 22, and more by way of furlough.

1508. First of all, tell us about your loss before the age of 22, how came that about?—I entered the service at the age of 18; therefore I lose four years under the present rules.

1509. What functions were you fulfilling between the ages of 18 and 22?—For the greater portion of the time I was in administrative and magisterial charge of a division of district. I was performing the same duties exactly as I performed after the age of 22, when a man counts the service towards pension, and I was performing the same duties that other officers were performing who were counting their service towards pension.

1510. Now with regard to your furlough; you tell us that you have taken more furlough than other people?—I was obliged to take it on account of my health. I was sent home twice on medical certificate.

1511. How long altogether did you remain at home on medical certificate?—I was at home two years and three months on medical certificate, and the third time I came home on furlough because I was entitled to furlough, but I came home because I needed a change of climate. I was suffering very seriously from liver complaint I may mention.

1512. Then how much of your service altogether has not counted towards pension?—I have 0.135.

Chairman—continued.

already lost seven years and three months out of a service of 25 years.

1513. Is there any other point besides that in which your case differs from those we have heard?—I might have to serve altogether 37 years, and I think that has not been pointed out to the Committee. Service is ordinarily spoken of as being 30 years' service.

1514. Do you mean that, besides the loss of the four years before the age of 22, you may still have to serve 37 years?—Yes; and supposing four years furlough to be necessary to an officer, that would make eight years lost, and a man would have to serve 29 years besides before he could retire under superannuation rules, which would make a total service of 37 years altogether; and I wish to submit that leave, on a medical certificate that a man is obliged to take, should be allowed to count towards pension. It was allowed to count under former rules, and the Government of India have several times, in fact, recommended that a certain portion should be allowed to count again; and the privilege has been granted to some other officers in other Departments; Cooper's Hill men and others.

1515. You think that the same privilege should be extended to every European in the uncovenanted service?—Yes; European non-domiciled officers like myself; and if I might be allowed to do so, I should like to mention the case of another officer who was sent home sick.

1516. How did his case differ from your case?—My health failed generally from the climate, but his failed from hard work and exposure in connection with the floods that were threatening a military station. It was in a great measure owing to his exertions that the cantonments were saved, but the exposure resulted in his being sent home sick.

1517. What is the name of this officer?—Mr. Steel.

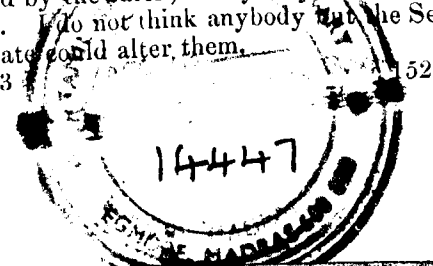
1518. Having lost his health by his zeal in the public service, the period when he was at home sick was not counted towards his service for pension?—No; it was counted against him. I can read the letter the Commissioner in Scinde wrote on the subject. He said "The Commissioner has received the report of Mr. Steel's failure of health with great regret, and especially to learn that it has been caused by exposure and hard work during the recent floods. It is a misfortune to the frontier districts that they should be deprived of so zealous and energetic an officer even for a time. Mr. Steel is permitted to proceed to Karachi to appear before a medical board."

Mr. Barbour.

1519. This case of Mr. Steel's seems a rather special one; is there any power in the officer commanding to deal with such a case, or to make representations upon the subject to get it out of the routine?—Mr. Steel's case?

1520. Yes?—No, I do not think so. He is bound by the rules; everybody is bound by the rules. I do not think anybody but the Secretary of State could alter them.

1521. Was



22 July 1890.]

Mr. WATSON.

[Continued.]

Chairman.

1521. Was any special application made to the Government in this case of Mr. Steel's?—No; I suppose he thought it would be no good; but I fancy there are a good many similar cases, and that a great many officers have to leave for home, indeed are sent home sick, like myself. I am now about to proceed to Marienbad to go through a course there. I may get cured or I may not.

1522. Do you know any case in which an officer has lost his health directly in the discharge of some extraordinary public duty, and has made any application for special treatment and been refused?—No, I do not. I fancy officers have thought that it would be no good. They are bound by the rules, and they have had to accept the rules.

Mr. Howarth.

1523. Have you, yourself, made any application?—No, I have made no special application. I have considered myself bound by the rules, and now I wish to point out the hardship of the rules in the hope that the Committee will recommend that they shall be altered.

1524. Is it the rules that you wish altering, or is it that you want to see the rules made more elastic in order to deal with individual cases of hardship?—No; I think the rules should be altered to allow a man's furlough to count, in all departments, as in the case of the Cooper's Hill men, the telegraph, the geological, and some other departments. I think the other uncovenanted departments, those that are officered by Europeans, should have the same privileges as the other people.

1525. You would not take your case as a normal case, would you?—Yes, I fancy there are a good many officers in my position who enter at the age I did, and who lose four years, and with furlough for four years they lose eight years' service.

1526. Apart from the entry before 22, the conditions have been not what you would consider to be normal; I mean to say you have a grievance in consequence of having to take more leave than the rules provide for?—I do not maintain that all leave should count as it did originally; but I think that a certain amount of leave should be allowed to count, particularly leave that is taken on medical certificate; a man is often sent home under medical certificate when he does not want to go home and cannot afford the expense of going.

1527. I want to know what you would define as being reasonable leave?—I think the same leave that is allowed to the Cooper's Hill men, to the telegraph, and to other officers who are Europeans like ourselves. We perform duties quite as important, or even more important. Officers in the Commission are engaged in the administration of the country and perform exactly the same duties as covenanted civilians do.

1528. Are many of your men domiciled in India?—None that I know of.

1529. They are all Europeans?—All Europeans. The Commissions consist of a mixture. There are covenanted men, uncovenanted men, and military men in civil employ. We all have the same rank and the same position whilst in the service, and it seems rather hard that we should

Mr. Howarth—continued.

have to serve so very much longer and get a very much smaller pension at the end of our service.

1530. Is your branch of the service one in which engineers under the age of 22 do not count their service towards pension before that age?—No; only those favoured Departments that I have mentioned, Cooper's Hill men, telegraph men, and geological men; they count their service before the age of 22. The men of the Commissions do not, and of a great many other Departments.

1531. How are the Woods and Forest Department in that respect?—The Forest Department men have had privileges given to them recently.

1532. With regard to service under 22?—Yes, with regard to service under 22. They count their time from the time they are appointed, and they also count a certain amount of furlough towards pension, and their period of service has been shortened like that of the others. They can get pension after 20 or 25 years' service, out of which two and three years respectively count towards service for pension; while I may have to serve 37 years. My work is certainly more important than the work they have to perform. I am European, just as they are.

1533. Suppose you had these favoured rules with regard to furlough yourself what would you count towards pension out of your furlough?—Out of my furlough three years.

1534. You suppose the other four years would not be counted?—No; I shall have had three years and three months' furlough, and three years would have counted. I have lost that service. I was on furlough on medical certificate. I am now going to Marienbad as I have mentioned.

Mr. Alfred Pease.

1535. Do you know of any case where through special exertion or exposure men have suffered in their health, and where special consideration has been shown?—No, I do not know of one case. I know of one case where an officer was paralysed, I believe, in the service of the Government, that was Mr. Price, who was in charge of the Karachi Harbour works a very long time, and did very good service there. I believe he was paralysed in the lower extremities from standing in the water a long time; and there was no special consideration shown him. In fact, he has given me a case complaining about his pension, which, I suppose, I am not allowed to produce. I shall be very glad to put it in if I may be allowed to do so.

Chairman.

1536. I think you may put it in?—It is really just the same as other officers who entered at the same time. I only mention that his was a particularly hard case because he was paralysed in the service of the Government. He was appointed in England to serve as civil engineer in East India at a salary of 600 £ per annum, and had the same covenant in which it was stated, "It is agreed that in all payments to be made under these presents the pounds sterling be considered equal to and calculated after the rate of 10 rupees."

1537. We

22 July 1890.]

Mr. WATSON.

[Continued.]

Chairman—continued.

1537. We have had that very often?—Yes, I say it is exactly the same case. I only mention that his case is a very hard one, because he was paralysed in the service of the Government.

Mr. Bristowe.

1538. You all suffer in health one way or the other, more or less, I suppose?—Officers who

Mr. Bristowe—continued.

have healthy stations to go to in the Hills are as well off in India as they are in England; but I have had to serve in the hottest part of India, that is Scinde.

Sir William Plowden.

1539. Were you at Sukkur?—I was at Sukkur for years, and in that part of India.

Mr. WILLIAM ROGERS FISHER, B.A., called in; and Examined.

Chairman.

1540. Did you enter the service of the Government of India in 1869?—Yes.

1541. By competition?—Yes, in consequence of an advertisement in the "Times."

1542. In the India Forest Department?—Yes.

1543. What leave rules have you; the favourable rules or the other?—Yes, the favourable leave rules.

1544. The most favourable leave rules?—Yes, we have the most favourable leave rules.

1545. Have you anything to tell the Committee about the grievances of the Forest Department about the grievances of the Forest Department beyond what has been already said?—I wish to say that I was in Assam from 1872 till 1881; and during the time I was in Assam I had to live in malarious forests throughout the year. The forests were so extremely malarious that it was impossible to go there at certain months of the year at all.

1546. Your health broke down, did it?—Not on that occasion. Subsequently I have been in the North-West Provinces, and I have been a Divisional Forest Officer and Deputy Director of the Forest School of Dehra Dun, and also Conservator of Forests and Director of the Indian Forest School.

1547. Have you ever been home on furlough?—I have had no furlough until the present one.

1548. Then you have never been home on sick furlough?—No. Eventually after this service my health was so broken down by hard work and exposure that I only weighed about 10½ stone (I am now about 11 stone 10 lbs.), and I could not walk more than 200 yards. I had to live chiefly on milk and soup, and things of that sort. That was my first leave. It was the first furlough that I could afford to take after 16 years continuous service; and since coming home I have received about 400 £ a year furlough allowance.

1549. But you, being under the most favourable rules, could have taken sick furlough, and counted it towards pension?—The rate of exchange is so bad that one cannot live on the furlough pay one gets at home. We find it impossible to live on the furlough allowance we can get.

1550. That is hardly my question; you could have taken sick furlough and counted it towards pension?—Yes, I could have done so. We have very good rules for furlough; but I know numbers of men in India who stay out there until they are complete wrecks, because they cannot afford to come home on furlough. As long as a
0.135.

Chairman—continued.

man is a bachelor, or has private means, he gets the furlough, but the moment a man is married he is obliged to stay in India. He can hardly get home unless he is ordered home by the doctor. I can go into details about that.

1551. That has been very clearly put before us by many witnesses; I think the nature of the grievance is very well known to the Committee?—I find it impossible to live on my furlough allowance. I wish to go into detail as to men who went out with me and who knocked up in India from exposure.

1552. How do you trace that to the depreciation of the rupee or to the operation of the pension rules?—I wish to explain that we should have a better chance of coming home if we had sterling furlough allowances. We would knock up in this frightful way. That is what I want to explain. The furlough although is so bad that the men simply stay out in India and knock up or take the first opportunity that they can get of obtaining other employment; or they go to the colonies. They take employment elsewhere; for instance, Mr. Hutchins, who joined the Department with me in India, was obliged to leave on account of confirmed spleen complaint, and is now Conservator of Forests in South Africa on a 500 £ a year. Another, Mr. Johnston, has retired on medical certical certificate on a small pension. Another, Mr. Gavin, could not stand the exposure, threw up his appointment several years ago, and returned to Europe, where he was recently a clerk in a brewery at Nancy. He has given up all his prospects, which were fairly good.

1553. I think you need hardly give evidence of that kind to the Committee; it is quite clear that if the furlough pay is so bad, men will not take leave?—They cannot take leave.

1554. And they will leave their employment under those circumstances when they get the chance?—Out of the 12 men who went out with me to India, seven only are left; five are either dead or have left the service on account of the unfavourable rules.

1555. In how many years?—Sixteen years. I can give the details and the names of the men if you like.

1556. I do think you need trouble the Committee with that detail?—That leaves seven men out of the 12, now in work in India, and of them one or two are very nearly knocked up and will take the first opportunity of retiring.

1557. Your point is that the furlough pay should be at a higher rate, in order that men may

N 4

22 July 1890.]

MR. FISHER, B.A.

[Continued.]

Mr. Barbour—continued.

may take furlough when they want it?—Yes, we want a fixed allowance so that one can really know what one is to get and make arrangements accordingly.

1558. What do you suggest?—If the rupee had remained at 2 s. I should get 600 l. a year allowance now. Instead of that, I get 400 l. Out of the 400 l., 100 l. goes on family pension fund and insurance, leaving me 300 l. for the education of my children, for my own maintenance, and to paying passage back to India.

1559. You get 400 l.?—I get 400 l.; that is all I have been getting from the India Office as furlough allowance, instead of 600 l. which I would have been entitled to, and which was the amount I expected when I entered the Department.

1560. At what rate of exchange do you get your pay?—I have not received my pay for this year. I am speaking of last year. Last year it was 1 s. 4 d. I got a cheque once in every quarter. They have deducted income tax, too. It is a few shillings under or over. I am not quite sure, but it is practically 100 l. a quarter.

1561. What income tax was deducted, Indian or English?—I suppose British income tax; the income tax was deducted. It really was 400 l. a year, and out of that I have to educate my children, and to pay the family pension fund and insurance, which is 100 l.; and it leaves me 300 l. a year for my own support and my children's education. It is perfectly insufficient, and my idea is that unless the Government gets men of private means into the Forest Department the thing will not go on. It cannot go on from what I have seen in India. I can give evidence about the work done by the Department in India, and the importance of it.

1562. I think you may assume that there is no doubt whatever about the excellence of the work done by these gentlemen. I do not know whether the Committee require evidence of that kind; besides, a Government could not excuse itself for paying an inadequate salary on the ground that the work was badly done; if it were badly done they would have to dismiss the men and get others. I do not know whether the Committee would care to hear evidence as to that; I think you may assume, generally, that the work done is admirable and the service excellent?—I can say about the requirements, that our requirements are equal, or very nearly equal to those of the Indian Civil Service, and that we have magisterial work to perform; we have to deal with the natives directly more, probably, than any other Department in India. We are living with natives in the forest eight months in the year, probably, as a rule, and dealing with them directly. We have to deal with constant petty disputes about the value of forest produce, about land, and questions of law, all of which we have to decide immediately in connection with the natives.

1563. To put it generally, what you say is, that your qualifications are not inferior to those of covenanted civilians, and your duties are of an equally responsible and important character?—Yes, I consider they are.

Mr. Barbour—continued.

1564. That is, putting it shortly, your case, is it not?—Yes.

1565. I do not think there is any doubt about that?—Then I wish to say something about the new favourable rules given to other Departments and given to Cooper's Hill, but which we had not received. Tell us what you have to say with regard to that? The Cooper's Hill men can retire after 20 years' service.

1567. When you say the Cooper's Hill men, whom do you mean?—I mean the three Departments now at Cooper's Hill, the Engineers, the Telegraph, and the Forest Departments. The other two Departments can now retire after 20 years' service; but we must stay on for 30 unless we get a medical certificate. I say that in the case of a Department where the men are proved to knock up so fast, as in our Department, to allow a broken down man to retire after 20 years' service would be equitable.

1568. Is that the only particular in which the other two Departments are more favourable than yours; just tell us the particulars in which the two Departments of Public Works and Telegraphs are different?—That is the principle one; also that their pensions are slightly enhanced; they have an enhancement of pension, I think 1,000 rupees is added to their pension, they have slightly better pension, and they can retire after 20 years' service without medical certificate. Those are the two points. It can easily be seen what the exact amount of the pensions is. I wish to say more; we do not compete directly with the other Cooper's Hill men. Somebody suggested to me. You have to compete with them, and you come out at the bottom of the list, and are therefore in a lower standard. But that is not the case, we do not compete with the Cooper's Hill men. We are appointed to the school after a separate examination, and we simply are trained together with them. We belong to the same institution but we do not compete with them. It is not a fact to say that we take a lower standard and must naturally submit to a lower position in India.

1569. Is there anything else you want to say?—There is another point, that is, that the Government has lately established a forest school at Dehra Dun. This has been going on now practically since 1881. I was deputy director there, and director until I took my furlough; I was nearly 10 years director and deputy director, and I know all about the working of the school at Dehra Dun. The men who come to the school are natives of India; they are men of very high attainments; we get men there who have taken university degrees at the different Indian universities, and unless you send out men of equally high attainments or superior attainments from Europe the discipline will be broken down; these men in the highest subordinate grades of the Department will consider themselves better or fully equal to the men who come from Europe; and you will have the whole Department disorganised unless you take care that the men who come out from Europe are men of the highest class, and the best men you can get; and I say under the present rules it is extremely doubtful whether you will get better men. I will prove that too if you will allow me. In my time we had

22 July 1890.]

MR. FISHER, B.A.

[Continued.]

Mr. Barbour—continued.

had for 12 appointments 40 candidates. Last year only 24 men came forward for 12 vacancies; so that it is clear that the candidates for these appointments are falling off, and that this Department is losing in popularity; and this with the highly trained subordinate staff in India will do the greatest injury to the Department. I have very good reason to know this because I was so long at Dehra Dun. I have now accepted an appointment at Cooper's Hill as assistant professor of forestry for two years, because I think it better to have 500 l. sterling in England than to go back to India at 1,000 a month, with uncertain chances of promotion. To do that I should have to leave my family in Europe, and I could not afford to send them sufficient money home to maintain them. I have therefore now come to Cooper's Hill as an assistant professor.

Mr. Buchanan.

1570. When did these favourable rules come into operation for the Forest Department?—I am afraid I have not got the facts as to that.

1571. Was it subsequent to the time that you went out?—Yes, I think it was subsequent; it was subsequent.

1572. You really enjoy more favourable rules now with regard to leave and pension than you did before?—Not with regard to pension; only leave, the pension has not been affected.

1573. The favourable leave-rules?—The leave rules there are very good, but we cannot afford to take advantage of them.

1574. They are more favourable than the rules under which you took your appointment, are they not?—I did not know what rules were in vogue at the time. When I left Europe I did not know what rules were in vogue, but they are more favourable, I believe. I believe that they came out very shortly after I had gone out to India.

Mr. Barbour.

1575. Your main complaint seems to be about the insufficiency of the money allowed for the furlough allowance?—Yes, and the pension, of course. The pension is exactly the same.

1576. Yes, you have dealt with that; of course, the service have been agitating for a long time for the purpose of getting the value of the rupee raised; that is so, is it not?—Yes, if we got sterling allowances at home I think the position would be very good. Then the only point we want is to retire after 20 years' service without medical certificate.

1577. There is this, however; you have been working a good while in that direction and I am afraid that a favourable result does not appear to be very near; but would it not be far better to leave that point on one side entirely, and to raise the other; that your amount allowed is insufficient?—Yes, it is quite insufficient. I mean it is so insufficient that if a man can get any chance in the colonies, America, or elsewhere, everyone will go; they will not stay in the Government service. I am sure those men will not stay, and it is a pity to lose men of experience after 16 or 20 years, because those are probably the most useful men in the Department.

Mr. Bristowe.

1578. Have you heard that the rupee has gone up to 1 s. 7 d.?—I do not know that it is 1 s. 7 d. I have not heard of it.

O. 135.

Mr. Bristowe—continued.

1579. I suppose it went to 2 s. to the rupee?—If it went to 2 s. it would make an immense difference. It would make the difference between 600 l. and 400 l. to me.

1580. Has it been 400 l. this year or 500 l.—I have not seen the 500 l. yet. I have not the least idea what allowance I am going to get for this year. One gets the allowance every quarter; but what one wants is something fixed. You see, the men will not come home. They stay out in India to save, if possible, and they stay out there until they are simply ordered home by the doctor. I wish to say one more word, that is, that a number of superior Forest officers in India are already men who are appointed by examination in England, and I believe when the favourable rules were refused to the Forest Department which were given to the Engineers and to the Telegraph Departments, it was said that the Forest officers were such a small body that it was not worth considering their case; but as a matter of fact already half the number are men appointed in England by competition.

Mr. Howorth.

1581. I want to ask a question upon your last answer; is there any reason why, except that you are a small class, you should be treated differently to Cooper's Hill?—We are not trained together; we are trained at the same school, and there are numbers of men in the same position.

1582. Have not you a less difficult examination; are not the conditions very much more easy?—No; I do not know that they are. The conditions of the examination depend upon the number of candidates who go in for it. The examination is a very fair examination in science and mathematics. It is not at all an easy examination, and they are further handicapped by the very great cost of attending.

1583. Did I understand you to say that the number of candidates for admission to your branch of the Service is falling off?—Yes, it is falling off. I think it is in consequence of the hardships men have to undergo in India, and the known fact that they get such bad allowances on leave. Men are very careful now to inquire about the Departments before they go into them. In my time I thought one would be fairly treated, and did not make inquiries.

1584. I understand you to say that these positions to which you have referred are very unhealthy?—The whole of the forests are malarious I should say. If you go over a certain elevation, 4,000 feet, you get out of the malaria, but up to that point the whole of the forest is malarious, and every Forest officer is exposed to malaria.

1585. Where do you recruit your officers principally?—A great number of the subordinate officers are recruited in India. The Indian Government are keeping down the number of superior officers as much as they can. Only just barely a sufficient number are appointed as superior officers, the others are all recruited in India.

1586. Would you urge that the change of rules should apply to the large body of men who stay out in India, or to the superior officers only?—I think the rules should apply to the men appointed in England.

1587. The men appointed in England only?—

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Yes.

22 July 1890.]

Mr. FISHER, R.A.

[Continued.]

Mr. Howorth—continued.

Yes. I think they should also apply to European officers who have been appointed under the same terms not to the present set of men who are sent to Derha Dun School under special conditions. They are told distinctly they must domiciled natives of India, and are appointed under certain conditions. The former body of officers appointed to our Department in India was appointed in the same way that we are, and I think that whatever favourable rules are given should also have a retrospective effect for the men who have done the same work as ourselves in India, in the time when there was no trained forest officer. In the old days there were no trained forest officers, so the Government of India appointed the best men they could get in India, who were mostly Europeans and who have had to do the same work as ourselves. I say they should get the same rules that we do; but for the future the Government of India has taken steps to provide a native supply for the lower high appointments, and I say those men will of course get the rules that are intended for men of that class in India; but that should not apply to the men already in the service.

1588. What is the average number of men in your particular branch of the service that pass annually?—I am not quite certain; I think there are 10 or 12; it varies with the requirements of the Government of India. The Government of India communicate to the Government here how many men are required; and that number is appointed. I think it is about 10 or 12 every year, I am not quite certain.

1589. What proportion would that class bear to the class you do not wish to include?—We turn out from Derha Dun Forest School about 30 every year.

1590. So the proportion would be about 12 to 30?—Yes, about a third of the appointments of the Department would be held by men from England and two-thirds there I suppose.

1591. But are those who come from Derha Dun natives, or are they Englishmen?—They are natives of India. I think of about 80 students I should say that 20 are domiciled Europeans, and that 60 are natives; but they are all considered natives of India. There is no distinction made as to where their parents are domiciled. A student may be European, or of any class or of any parentage; but practically it comes to that. We have about 20 Europeans, and about 60 natives. They all rank as natives of India.

1592. Then you have no explanation to give

Mr. Howorth—continued.

as to the reason for enforcing the rule to retire after 20 years in the service as contrasted with the superior rules granted to the other branches, except that you are a very small number. Have you any other explanation to give at all as to why you should be treated differently?—I say we should be treated exactly the same.

1593. Have you any explanation as to why under the rules you are treated differently to the other two classes?—I have a paper in my pocket that may explain it to some extent; I will give you this; you will find it all there (*handing in the same*).

Mr. King.

1594. You speak on behalf of the Forest Department generally?—Yes.

1595. And do you speak also on behalf of those appointed in India?—Yes; I say that in the olden times up to 1881 the Government had no agency in India for training forest officers, and the number of men who came out from home were not sufficient; therefore they had always appointed men in India up to that time who were chiefly Europeans; and I say those men should also have the same rules as ourselves, they having done the same work under the same circumstances, but that in future this case will not arise as the Government have made special arrangements for supplying the men.

1596. Are you a very small class?—There are 169 forest officers I believe now in India, of the superior grades, the higher grades.

1597. The mortality is very high in the Forest Department, is it not?—Yes; I say that out of our 12 men, men who went out with me, two have died, and, I think, three have retired.

1598. In Burmah in 1880 the death-rate was seven per annum, was it not?—Yes; I know also of cases that occurred in the north west and the Punjab in the 16 years I was there. One forest officer was knocked over a precipice by a bear; another one fell down while marking trees; a third one fell from his horse; and they were all killed on the spot, which shows the dangerous nature of the occupation. Two of those were trained forest officers, and one a gentleman in the army.

1599. What you really ask is to be put upon the same terms as the telegraph and the engineers?—Yes; and also to have the sterling, the pension, and the sterling home allowance.

1600. That is what they ask and what you ask, to be put upon the same terms?—Yes.

Mr. ALFRED STEWART BETTS, called in; and Examined.

Chairman.

1601. You are, I believe, an officer in the Telegraph Department?—In the Persian Gulf Telegraph Department.

1602. Superintendent in the Persian Gulf Telegraph Department?—Yes.

1603. Did you enter the service of the Government of India in 1863?—I entered in 1863.

1604. Under an agreement?—Under an agreement.

1605. Which you have put in?—Which I have put in.

Chairman—continued.

1606. And which I think is identical with the agreement of the gentleman who was examined on the last occasion?—No; I think not.

1607. What is the difference?—It differs in this: that it is in pounds sterling. It expressly stipulates that I shall be brought back to England, and that after 20 years I should be entitled to a pension.

1608. Is not that exactly what the other telegraph officer at the last sitting of the Committee pointed out to us?—No; I think not.

1609. Did

22 July 1890.]

Mr. BETTS.

[Continued.]

Chairman—continued.

1609. Did you hear his evidence?—No; I think the covenant is in rupees in that case.

1610. No; it was pointed out to us that it is in pounds sterling?—That his salary was mentioned in pounds sterling and not in rupees.

1611. Is the peculiarity of your case that you are employed in the whole of your service in the Persian Gulf?—The peculiarity is that the Persian Gulf Service is a unique service; it is entirely out of India, therefore it is an exceptional service, and I think that exceptional covenants were drawn up for the officers of the Persian Gulf, it being an exceptional service.

1612. You have put your covenant in?—Yes.

1613. I do not know whether you can point out to the Committee the strongest clauses in it?—No; but I have a few points that I can point out to the Committee.

1614. I mean, any peculiarity of your covenant?—Well, I think it is a special covenant, because it is for a special service. It is specially to serve in the Persian Gulf, and there is no other covenant to serve out of India. It is foreign service entirely. It is entirely out of India, but the covenant is to "assist in laying," that is, we were special officers to assist in laying the cable and work the cable in foreign service; therefore, we really served in Turkey, Arabia, Persia, and away from India, or in countries where the rupee was not the coin of the country.

1615. Have you now retired from the service?—I have now retired from the service on half pay.

1616. On a pension?—On pension.

1617. Do you receive your pension in rupees at the official rates of exchange?—Yes; which I say again is a distinct contradiction to the covenant, which distinctly states "that in all payments to be made under these presents the pound sterling shall be considered equal to and calculated after the rate of 10 rupees."

1618. Are you aware that if the Secretary of State is not paying you what he has agreed to pay you, you have a legal remedy?—How can I afford to go to law over such a matter; now I will read you a letter which was addressed to a former superintendent.

1619. You do not deny that you are aware that you have a legal remedy?—I have a legal remedy, but how can I act upon the legal remedy?

1620. You say your legal remedy is worthless to you?—It is, because I have no means to avail myself of it.

1621. You have no means to bring your action?—And as a fact I appealed under a petition of right, and it was not allowed.

1622. Have you ever taken advice?—I have taken the advice of several individuals. I have taken the advice of several barristers, who say that I have a legal claim.

1623. They say that you have a legal claim?—Yes, and the India Office referred me to Sir Horace Davey's opinion, which does not apply to my case at all, or to the officers of the Persian Gulf Telegraph Department, because Sir Horace Davey's opinion is founded upon rupee covenants, not upon pounds sterling covenants.

1624. Then your case differs from other cases, 0.135.

Chairman—continued.

of which we have had a good many examples. You say that you are legally and lawfully entitled to a sterling pension?—I have the opinion of several friends, legal, to that effect. Of course, I cannot afford to test that opinion.

1625. You do not complain of your covenant, or of your leave rules; you say that the covenant is not kept?—I say that the covenant is not kept.

1626. And that if the Secretary of State kept you covenant you would be perfectly satisfied?—Just so, according to my interpretation. I am under the most favourable rules, although there are many officers of the service who are not. I will read a letter.

1627. Is this a letter addressed to yourself?—It is an answer addressed to one of the officers of the Persian Gulf Telegraph Department, on which I found to a very great extent my claim.

1628. Will you read the letter?—"17th August 1883.—I am directed by the Secretary of State for India to acknowledge the receipt of your letter of the 14th ultimo requesting that your pension recently granted you by the Government of India may be paid to you at the rate of 2 s. the rupee, that being the rate specified in your covenant of 5th September 1863, at which all payments were to be made. In reply, I am to point out that excluding the leave taken by you at different times, your qualifying service for pension has only been 16 years, six months, and four days. As, therefore, your service did not extend to the 20 years specified in your covenant as giving you a claim to pension, the payment made, on account of the pension now granted to you, does not come within the terms of the contract. In these circumstances the Secretary of State regrets that he is unable to comply with your request." That letter was sent to a former superintendent of the Persian Gulf Telegraph Department. It was accepted by me and by others as an assurance that if we did serve the 20 years our claim to the payment of our pension at par rate would not be disputed as a natural consequence. They give the reason for not paying it there; we naturally concluded that that being the reason, if we served the 20 years we should get it, and that no question would be raised.

Mr. Buchanan.

1629. Are there many in a similar position to yourself?—With this covenant I think there are seven officers left out of 70 that originally went out; because the Persian Gulf is a peculiarly unhealthy part of the world.

1630. Are there many of those at the present moment in the enjoyment of pensions?—Yes; and two of them are getting sterling pensions, two of those same officers with the same covenant as mine entering the service at the same time, are getting sterling pensions.

Chairman.

1631. Will you give the name of the two who are getting sterling pensions?—Mr. Courtney is one. I have a letter from the India Office in which they explain that Mr. Courtney is getting 150 l. a year under exceptional circumstances.

1632. Have you got the letter addressed to you 0 2

22 July 1890.]

Mr. BETTS.

[Continued.]

Chairman—continued.

you to explain the circumstances?—Yes, “under exceptional circumstances” it is mentioned.

1633. Have you got the letter?—Yes.

1634. Perhaps you will read it then?—I do not find it amongst my papers at the moment. It merely mentions that “under exceptional circumstances.”

1635. Does it say what those exceptional circumstances are?—No. (*Letter appended by Witness*):—

India Office, Whitehall, 10 December 1889.

Sir,—I am directed to acknowledge the receipt of your letter dated the 30th ultimo, and to acquaint you that the Secretary of State for India in Council sees no grounds for departing from the decisions on your case, which has already been communicated to you.

I am at the same time to acquaint you that you are in error in supposing that “two officers of the Persian Gulf Telegraph are now drawing their pensions in pounds sterling at 2 s. the rupee,” as the officers to whom you refer, Mr. Courtenay and Mr. Brasher, were not pensioned under the regulations in rupees, but were granted, under exceptional circumstances, sterling pensions of 150 l. and 400 l. per annum respectively. I am, &c.

A. J. Betts, Esq., (signed) A. Godley.
2, Cadervale Road, Clapham.

1636. Give me the name of the other officer?—Mr. Alfred Brasher.

1637. Those are two officers of your service under the same covenant as yourself, who, you say, are being paid sterling pensions?—Yes.

Mr. Buchanan.

1638. They are under the same covenant as yourself?—Under the same covenant as myself, and they went out at the same time as myself.

Mr. Bristow.

1639. I see you state here that at the place where you were employed rupees were not the coin of the country?—No.

1640. But you do not take that to be a particular point, because you accepted the payment in rupees?—We accepted the payment in rupees, but as a fact we had to change them.

1641. Still, when you went out that was your agreement?—Yes; and in reference to my own pension I am told that I elected to draw my pension in England and having served in places not in India I do not see how I could otherwise draw my pension anywhere but in England. India was not the country to which I was engaged to serve, and my passage was provided by the agreement to come back to England. So it was a natural conclusion that it was meant that the pension was to be drawn in England.

Mr. MacNeill.

1642. Are not the services of those officers in the Persian Gulf Department generally sooner dispensed with than those of the ordinary uncovenanted civil servant?—No; a few of us have the benefit, only the first officers who joined the service in 1863, the pioneer officers, have the benefit of the advantageous rules. All other officers of the Persian Gulf have not the benefit of those rules, only the pioneer officers. We were specially trained officers: we attended a class in England before going out. I myself had been in the Royal Arsenal for three years, and under those circumstances we were granted the benefit of the new furlough and pension rules.

Mr. MacNeill—continued.

1643. But have not the Government dispensed with the services of those gentlemen prematurely? Dispensed with the services of those gentlemen?

1644. Or some of them?—Yes; the services of those two officers, or one of those sterling pension officers, his services were dispensed with, because the Constantinople office was closed. The other officer, Mr. Brasher, has served his time, that is the 20 years, according to the term of his covenant; and, I think, since then the office has been abolished. That was the London office.

1645. Have the Government wished to recruit this service from the ranks of the uncovenanted civilians in India?—Yes; it is very difficult to get any Europeans to go out now. It is much more difficult than it was. You see the climate of the Gulf is exceptionally bad. There is one station, Mussenden, for instance, which after the third or fourth year was abandoned; and, again, the first officers of the service were under exceptional conditions, because we had two gunboats at one station to protect us, and we have always a guard of sepoys at two or three other stations.

Mr. Howorth.

1646. What number of men are in the same position as yourself?—I think seven. Of the 60 or 70 men (pioneer officers) who originally went out, I cannot find more than seven remaining, so that there is a very large number of men who have died.

1647. How many?—Of the 60 or 70 who went out in 1863, there are not above seven who are entitled to or working for pension. Some of the officers are now still working because they cannot retire; three or four have retired.

1648. Do you say this is entirely distinct from the Bombay Civil Service?—We are under the Bengal Uncovenanted Civil Service; but, as a matter of fact, we never served in Bengal. We are under the Imperial Government of Bengal.

1649. For promotion and everything else?—Yes. I got my maximum promotion in 1872, and since that date I have had no promotion, and after 15 years' on the same salary I retired in February 1887.

Mr. Alfred Pease.

1650. Was it expressly stated in your covenant that the pension was to be drawn in England?—There is a provision in the covenant that when I am in England I am actually to get so many pounds per month. That is in the covenant itself.

Mr. King.

1651. There is a provision in your covenant of which we have heard a good deal, as regards 1 l. sterling being taken as 10 rupees, is there not?—Yes.

1652. And you received your pay at that rate in rupees?—Yes.

1653. Ten rupees to the pound?—Yes.

1654. And during at least one year of that period the exchange was above 2 s. ?—Just so.

Mr. MacNeill.

1655. In 1864 it was 2 s. 1 d., I think?—Yes.

22 July 1890.

Mr. LANGTON PRENDERGAST WALSH, called in; and Examined.

Chairman.

1656. Where have you lately been serving?—In North East Africa, as Assistant Political Resident, and Her Britannic Majesty's Vice Consul.

1657. What is the name of the place?—Zeila.

1658. When did you enter the service of the Government of India?—In 1873.

1659. In what Department?—The Marine Postal Service.

1660. By nomination or by competition?—By nomination.

1661. Who nominated you?—Mr. Macfarlane, the Postmaster General of Bombay. I want to say about the Marine Postal Service, that we have supplied officers to every department in India, including the Forest Department, the Police, the Customs, the Salt, the Scinde Commission; we have supplied, I think, every Department in India.

1662. Let me put it quite generally and shortly; your department has supplied officers to do the same kind of work in India that the uncovenanted servants do?—I do not know that; convened servants do?—I do not know that; Marine Postal officers were serving with others in the Indian Seas. There was another uncovenanted service serving alongside us, the Indian Marine. It is now called; it was then the Bombay Marine. The two have been amalgamated, and they are now, since the amalgamation, called the Indian Marine. These Indian Marine officers have been allowed to count for pension from the age of 19 years. We who belong to the Indian Marine Postal Service, serving in the same seas, have not been

Chairman—continued.

allowed to count service for pension from 19. We are still under the old rules.

1663. You count pension from 22?—From 22.

1664. Is that your point?—That is my point. Another thing is that signallers in the Indian Telegraph Department engaged locally, as are postal officials (not the European officers trained in England), some of whom are half-castes, some European, some boys, some sons of soldiers, and others who have entered the Telegraph Department, count for pension from the age of 18. We who are under the Post Office have to count from 22, notwithstanding the fact that two uncovenanted Civil Services count from 19 and 18 respectively under recent regulations.

1665. What service counts from 19?—The Indian Marine. That is the new name of the Bombay Marine since its amalgamation with the Bengal Marine.

Mr. MacNeill.

1666. I suppose your service is peculiarly exposed?—Well; an Act of Parliament says that the place where I served is unhealthy. Officers serving under the British Government, on the same station with me, are allowed to count 18 months for 12 months' service, and I, because I happen to have gone to India in my youth, serve one year, and only count 12 months. The Act of Parliament, 39 & 40 Viet., c. 53, of the 11th August 1876, gives exceptional privileges to British consular officers, and should be extended to officers of the Indian Government, employed as consuls serving in Arabia, Africa, &c.

Mr. WILLIAM SMITH, called in; and Examined.

Chairman.

1667. You entered the service of the Government of India under a covenant, did you not?—I did.

1668. You have been a superintending engineer?—Yes.

1669. Is your point that you were retired in 1879 contrary to the provisions of your covenant?—Yes; may I present my covenant?

1670. Yes, let us have your covenant?—I have also some printed copies of my two memorials (*handing in the same*).

1671. Does that memorial contain a statement of your grievance?—It does.

1672. And the covenant is appended to it?—Yes, the covenant is appended to it; the covenant is Appendix A. to the first memorial.

1673. Then your second point is that the pension which was granted you is inadequate?—Yes.

1674. Your third point is that your pension, inadequate as it is, is paid in rupees, whereas it ought to be paid in sterling?—That is the point.

1675. And that is all explained in your memorials?—It is explained in my memorials.
O 135.

Mr. Howorth.

1676. I should like to ask whether there are any other men in the same position as yourself?—I went out as one of six in 1855. We had all been employed under the Board of Works in Ireland.

1677. Are there any at the present moment remaining?—To my knowledge only one of the six besides myself.

1678. Were you a domiciled Englishman, or did you merely join in India; had you been born in India?—No; I went out under a covenant from this country.

Sir William Plowden.

1679. Under your covenant you are entitled to a pension to the extent of one-third your average salary after 20 years' service?—After 20 years' service.

1680. And one-half after a service of 30 years?—Yes.

1681. What was your average salary after a service of 30 years; you served 30 years, did not you?—No, I was prevented from doing so.

1682. How long did you serve?—I served actually
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22 July 1890.

Mr. HENRY BENEDICT MEDLICOTT, called in; and Examined.

Chairman.

1715. Are you an officer of the Geological Survey Department?—Yes.

1716. Were you appointed in 1854?—Yes.

1717. Under a covenant?—Only a letter of appointment.

1718. I believe you are one of the very few officers who have survived the hardships of the Geological Survey?—The only one of that date, the only one who can claim the half pension.

1719. Are you the only one who has ever lived long enough to be paid the half pension?—Yes; to claim it at least.

1720. When did you retire?—In 1887. I got two and a-half years' extension of service.

1721. How long had you served?—Thirty-three years.

1722. What pension were you awarded?—An exceptional pension of 6,000 rupees.

1723. I believe you claim to be entitled to a pension of half your salary?—That is what I believe to be my right.

1724. What was your average salary for the last four years of your service?—With allowances, 2,520 *l.* 1,800 rupees a month was my fixed pay of the appointment and the allowances were 300 besides.

Mr. Buchanan.

1725. How much in all would that make in the year?—Two thousand five hundred and twenty pounds.

Mr. Bristowe.

1726. That is in rupees at 2 *s.*, is it not?—Yes, of course.

Mr. Buchanan.

1727. Your half salary pension would be about 12,000 rupees instead of 6,000?—Nine hundred a month. I have not the figures actually calculated. I did not come to advocate my particular case, but to speak on behalf of the Geological Department.

Mr. C. A. MARTIN, B.A., LL.D., called in; and Examined.

Chairman.

1738. Are you a Fellow of the Calcutta University?—Yes.

1739. And you belong to the Education Department?—To the Education Department.

1740. How were you appointed?—I was appointed by nomination in India. I was nominated by the Director of Public Instruction, and the Government of Bengal appointed me.

1741. When were you appointed?—In 1864. I went out to the country on the promise of an appointment.

1742. And without any special covenant?—Without any special covenant beyond the rules and regulations of the service.

1743. Have you heard the evidence that has

Mr. King.

1728. You state that you have come to speak for the Geological Survey as a Department?—Yes.

1729. Can you state quite briefly what are the rules of your Department as regards leave and furlough?—We enjoy all the benefits that have been given to the uncovenanted service except one or two.

1730. Which do not you enjoy?—That one which the Educational Department have, that a man who joins after 25 years gets three years to count to his pension. I tried several times to get that for the survey but failed.

1731. Yours is a very unhealthy service?—Dreadfully.

1732. The mortality in the Department has been very excessive, has it not?—Thirty-six per cent. of the men who have joined since the survey was started have died in the service.

Mr. MacNeill.

1733. From what date?—1846.

Mr. King.

1734. Will you explain to the Committee why it is so unhealthy a service?—Our work lies in the most jungly parts of the country, and we have to live in the jungle. In the plains we have nothing to do; there are no rocks there; we have to live in the most wild places for seven or eight months in the year.

1735. It is a fact, I believe, that no insurance company in Calcutta would accept the life of a member of the Geological Survey?—Yes, that was so for a period; they would not at any premium.

1736. You consider a shorter period than 30 years is essential?—It is peculiarly necessary in our service. If a man is not in vigour he cannot possibly do his work.

1737. Practically, it matters not to the Government how high a pension they give to a Geological Survey man, because in all probability he will not live to get it?—It looks something like it.

Chairman—continued.

been given to the Committee?—I have, generally. I have been here on some of the days.

1744. Will you confine your evidence to new evidence which the Committee have not heard before?—I shall try to do so. In the first instance, I wish to refer the Committee to some correspondence on the subject of pensions to officers of the Education Department. My evidence, I wish to say, will be partly departmental and partly general, and I have some correspondence here (some four copies if I may put them in) which will enable the Committee to see for themselves how the matter stands. I had proposed to ask permission to read out certain passages from a memorial, contained in these pages, but I think I will save the time of the Committee

22 July 1890.]

Mr. MARTIN, B.A., LL.D.

[Continued.]

Chairman—continued.

mitt-e if I may be allowed to give, in a few words, the salient features contained in the memorial.

1745. This correspondence is a very long time ago, in the year 1872?—1867 the memorial is dated. I signed the memorial myself. You will find the memorial on pages 7 to 10 of the correspondence, but the chief features regarding it I think I may just mention in a few words.

1746. Was this memorial considered by the Secretary of State, and rejected?—It was considered by the Secretary of State.

1747. And rejected?—Yes.

1748. Do you think there is any advantage in appealing now, 18 years after, to this Committee against that; would it not be better to tell us what are the existing grievances of to-day which we could redress?—To refer to this would enable the Committee to see for themselves what was the Committee to do with regard to the rules which had been withdrawn from the Education Department. It is to show that retrospective effect was given to rules that were newly introduced, and in a few words I think I can state the chief features. I propose to point out that the Secretary of State at one time said they would give exceptionally favourable treatment to the educational officers, but that that promise has never been fulfilled to the majority of those officers with regard to leave and pension. On paragraph 4 of this memorial, page 8, I think it is, it will be observed that when some favourable treatment in pension rules was given to the general body of uncovenanted officers by the Despatch of 1862, the case of educational officers was reserved for exceptionally favourable treatment. This exceptionally favourable treatment was made known on the publication of the Despatch from the Secretary of State of 1865, and it was found that the majority of officers, those who had joined the service before the age of 25, received no exceptionally favourable treatment whatsoever; but in the case of those who joined after having attained the age of 25, the limits of service were reduced by three years. Previous to this, the rule was one-third salary after 15 years' service, one half salary after 22 years' service (in each case not to exceed 500 *l.* a year) might be claimed, because I properly speaking, might be claimed, because I suppose no officer has any "claim," it depends upon the Government whether they get a pension at all or not; but they are led to believe that they might have a claim to some pension. In the periods of 15 years and 22 years respectively, two years' leave of absence on medical certificate and six months' leave on private affairs for every year was allowed to count towards pension; that is to say, to count as service by the new rules of 1862, which were then extended to the Education Department. By the Despatch of 1865 leave on medical certificate and private affairs ceased to count as service (it had counted before that), and the maximum of the first pension was reduced from 500 *l.* to 300 *l.*, and in some cases to 200 *l.*

Mr. Alfred Pease.

1749. That is in 15 years?—Yes; the two pensions are stated, one-third salary after 15 years, one-third salary, not exceeding 500 *l.*; 0.135.

Mr. Alfred Pease—continued.

the maximum of this pension was reduced from 500 *l.* to 300 *l.*, and in some cases to 200 *l.*; and further, a service of 25 years, without leave, instead of 22 years with leave, was required to qualify for the second pension. Those facts are stated in paragraph 7 of the memorial. Thus the periods of service were considerably extended, and the limits of pensions for the most part lowered. In a passage in the Pension Code, Article 450 (c) of the Civil Service Regulations, it is stated, "The concession (that is to retire under the former rules) applies only to counting service for pension; the amount of the pension must be calculated in accordance with the new rules." They granted a certain concession, they said, to apply to count service for pension. But the amount of the pension must be taken under the new rules. I quote from the Civil Service Regulations because it is the latest edition of the codes that has been published. Then I wish also to refer to a passage, paragraphs 15 and 16 of the memorial (I am speaking for the Education Department I may say); there are certain arguments given why shorter service should be required from officers of the Education Department. It is stated there that several men of distinction have been deterred from entering the Indian Educational Department, and some, after entering, have abandoned it, by reason of the great length of service required of them before a pension can be obtained; and, on the other hand, men, however able, whilst practically cut off from the great centres of learning at home, and with mental and physical energies impaired by residence in a tropical climate, cannot keep pace with the continual advance of science; and thus they find their knowledge and methods grow antiquated during the 33 years which must elapse between the age of superannuation and that at which members of the home universities ordinarily graduate (I may say almost all of our Department are distinguished graduates of home universities), for which reasons it is expedient that the educational staff should be constantly recruited, as at Oxford and Cambridge, by young men of the highest distinction, fresh from the schools, and conversant with the latest improvements in scientific teaching. That this desirable object would be greatly promoted by a grant of pensions without medical certificate after an approved service of 25 years, a period sufficient to impair that physical strength which authorities like Dr. Arnold and Dr. Vaughan have declared to be necessary for a teacher of the young. I wish, if I might be allowed, to bring in a further point relative to sterling pensions which has not yet been heard by this Committee.

1750. Very well that is interesting to us?—I think it will be admitted as beyond cavil and dispute that when the memorialists asked for pensions in England they asked for pounds sterling as stated by them, and to prove that this also was intended by the Government of India, I beg leave to refer the Committee to the proposal made by that Government in the Financial Department No. 241 of 18th September 1868 to limit pensions to 600 *l.* per annum, in which Government remarked, "600 *l.* is the maximum pension granted to covenanted civil servants." They spoke of 600 *l.* as the maximum pension granted

22 July 1890.]

Mr. MARTIN, B.A., LL.D.

[Continued.]

Mr. Alfred Pease—continued.

granted to covenanted civil servants, and said, We propose that the uncovenanted officers shall get 600*l.* also.

Mr. Bristowe.

1751. Where is this?—You will find it in the correspondence 241 on the 18th of September 1868, at page 11. They proposed to limit pensions to 600*l.* per annum.

1752. This is a proposition from India, is it not?—This is a proposition from India to the Secretary of State.

1753. A proposition?—A proposition. That is, in 1868 they proposed the 600*l.* per annum, which they say was given to the covenanted civil servants should also be given to the uncovenanted civil servants. It is clear therefore that it was the intention of the Government of India at that time, 1868, when they spoke of pounds sterling, to give pensions in pounds sterling. The proposal contained in this No. 241 was made at the request of the Secretary of State, contained in paragraphs 4 and 5, of Educational, No. 13 of the 2nd July 1868, which will be found on page 10. The Secretary of State therein asked the Government of India to make certain proposals, and further, in the proposals that were made there is a graduated scale entered, and in that graduated scale all pensions are mentioned in pounds sterling; and, as I stated before, those pounds sterling must have been intended to be pounds and not rupees—not in the equivalent in the way in which it has hitherto been claimed.

Chairman.

1754. Was it not the fact that at that time, and for very long after, the symbol of pounds sterling was used as the equivalent of 10 rupees in all the accounts?—I believe so.

1755. And in the Budget Statement?—And in the Budget Statement, certainly; but since there is the reference made to the pension that was granted to the Covenanted Civil Servants—

1756. I only ask whether it is not a fact that in 1868 and long after, the symbol £. was used as the equivalent of 10 rupees in the Budget Statement?—There was really very little difference between a pound and 10 rupees at that time. Then I also wish to point with reference to the claim that by the 500*l.*, 5,000 rupees was intended. I wish to point to an analogous case in the leave rules which has not been referred to in the case. An officer on leave in India gets allowances not to exceed 8,000 rupees (it is mentioned in Section 346); but if on leave in England the allowances are not to exceed 800*l.*; that is 800*l.* are given in England, 8,000 rupees in India. This will be found in Section 346 of the Civil Service Regulations.

1757. Does this come to more than this (as has been said by many witnesses), that for a very great number of years the Government spoke of 10 rupees and the pound sterling as interchangeable and equivalent terms?—I am pointing out that in the case of leave they give the 800*l.* limit and 8,000 rupees. They do not say 8,000 rupees at the current rate of exchange.

1758. No; but was not the fact at that time, as I have stated it?—This is at the present time; I mean at the present time in this new regulation.

Chairman—continued.

1759. That is of importance, if it is so?—It is at the present time; "If the leave of an officer"—There it is (*handing in a book*).

1760. Are not these leave rules that you call attention to those of the Covenanted Civil Service?—No; these are the European leave rules. I will give it you in the 6th edition; it is Section 59 of the Civil Leave Code, "Maximum leave allowances of the uncovenanted officer on ordinary furlough."

1761. "Maximum leave allowance for an uncovenanted officer on ordinary furlough is, if paid at the home Treasury of the Government of India, 200*l.* a quarter?"—That is 800*l.* a year.

1762. "If paid in India, 666*⅔* rupees a month"; there is no minimum?—That is 8,000 rupees in the one case, 800*l.* in the other. There is one other point, and that is on the maximum question, the question of the grant of maximum pensions to officers. I have now been serving as an inspector of schools for 18 years, and all pension applications from my subordinates come before me in the first instance, and, subject to correction by the Accountant General, I may be said to decide those questions, questions of service for pension; and I cannot recollect a single instance of an officer, a native of India, well reported upon, who was granted a pension less than the maximum to which he could lay any claim.

Mr. Bristowe.

1763. I see in this recommendation to which you refer (this Paper, dated 1868), that, as you state, all the pensions are mentioned in pounds sterling?—Yes.

1764. Is not the pay also considered in the same ratio?—I see that that is so.

1765. What I want to know is, whether you do not claim also increased pay as well as increased pension; if you receive your pay in rupees you are receiving less than you expected, are you not?—No.

1766. You do not take that view?—My appointment letters always stated, "your pay will be so much in rupees."

1767. It does that?—It does make that statement; I see that.

1768. What I wanted to discover was, why, if you claim pension and furlough allowance in pounds, you do not also claim pay in pounds; you do not make that claim?—No, I do not make that claim. In the appointment letters it is always stated in rupees.

1769. In the appointment letters it is always stated in rupees?—Yes.

1770. It is a check upon this memorandum; that is all?—Yes, it is; the only point I make from that letter is, that the maximum pension of the covenanted civil servant, which there is no dispute with regard to, is in pounds sterling, and that pounds sterling must have been meant throughout in the letter.

1771. You did allude to this table as worked out in pounds, yet you do not claim increased pay in consequence of the depreciation of the rupee?—No.

Mr. Howorth.

1772. I want to have this clear; in that memorandum the pension of the covenanted servants and

22 July 1890.]

Mr. MARTIN, B.A., LL.D.

[Continued.]

Mr. Howorth—continued.

and yours are put merely on the same footing, calculated at 600*l.*; your contention is in the one case, the case of the covenanted service, that it has been interpreted as meaning sterling, and in your case as meaning rupees, without any actual definition?—Yes; they have so interpreted it. Our pensions are stated by the Secretary of State in pounds sterling; but by the Government of India as "500*l.* or 5,000 rupees."

1773. But on the same form of words the Government of India have interpreted it in this way, that the 600*l.* shall mean sterling in the case of one set of officials, and rupees in the case of the other?—Yes, so I take it.

1774. And you say in no single instance have you ever known less than the maximum pension to be given?—To a native never. In fact, I may say all my subordinates are natives, with one or two exceptions. When a native of India sends up his papers for pension, if he is well reported upon, that officer invariably gets the maximum pension.

Sir William Plowden.

1775. Do not you get maximum pension, too?—I do not know. I am not a pensioner.

1776. Do not the European members of your Education Department who go on pension get the maximum pension?—I cannot tell you; I do not know sufficiently well about what they do get; but I am quite aware of the fact that they get it in rupees at a rupee to 2*s.*

1777. The only difference really is that the native gets his pay and pension in rupees, while the uncovenanted European officer gets his pension, or was to get his pension in pounds, and not in rupees. They are exactly on the same footing otherwise, are they not?—Except that I argue that when the Secretary of State stated 500*l.*, it was interpreted by the Government of India as meaning not 500*l.* but 5,000 rupees. I argue that the 500*l.* was intended for the European officers, and the 5,000 rupees for the natives of India.

1778. But your argument now is that the native always gets the maximum pension, that the European officer does not always get the maximum pension, and the fact is that the difference simply is owing to the rate of exchange?—Owing to the rate of exchange.

Mr. JOHN HENRY MERRIMAN, called in; and Examined.

Chairman.

1787. ARE you a commissioner of the Salt Department?—Deputy commissioner of the Salt and Abkari Department; it is better known in England as the Excise Department.

1788. When did you enter the service of the Government of India?—In 1868 in the Revenue Survey Department.

1789. By nomination or by competition?—By nomination.

1790. Where were you appointed?—In Madras.

1791. By whom?—By the Local Government.

1792. Have you heard the evidence that has been given before this Committee?—Yes; most of it.

1793. Can you tell us anything additional or any-
0.135.

Sir William Plowden—continued.

1779. If the native went to England and took the pension there, he would be in exactly the same position as the European, would he not?—A native does not go to England.

1780. If he went to England I say?—If he went to England he would, certainly.

Mr. MacNeill.

1781. I think you went out to India in 1863?—1864.

1782. At that time surely the rate of exchange was higher: 10 rupees were worth more than a pound sterling, was it not?—I believe at the market rate in some instances it was slightly under 2*s.*, and at other times it was a little above.

1783. But whether the rupee was under or over the 2*s.* the 10 rupees to the £. was the marketable rate of exchange?—The marketable rate and the official rate you may say practically.

1784. When the rupee was worth, as it has been, 2*s.* 1*d.* and 2*s.* 1½*d.*, the uncovenanted servants on going home never got more than the 2*s.*, did they?—They never got more than the 2*s.*, never.

1785. And your contention is that they ought not to get less than the 2*s.* now?—They ought not to get less than the 2*s.* now.

1786. They never got more when it was above 2*s.*?—No. If I may be allowed to refer to this, No. 241 of 1868 of the Government of India again, in paragraph 2, it is stated (it is the letter in which the Government of India made these proposals), "Under the English Act a pension may rise to forty-sixtieths of the salary, and I believe the uncovenanted servants of the Government of India who perform all their service in this country are governed by this Act; under the English Act a pension may rise to forty-sixtieths of the salary of the retiring officer, and within this limit there is no absolute maximum sum fixed, however large may be such salary." I believe that the officers in the India Office, though uncovenanted servants, are governed by that rule. They perform all their service in this country, and we perform our service in India. I speak of these and I say that we are deserving of the same favourable treatment.

Chairman—continued.

thing supplementary to what has been said by the other witnesses?—Only that in my own case the appointments that I held in the Survey, and now hold in my present Department, have never been held by natives. On the other hand, they have been held by Royal Engineers, Staff Corps officers, and covenanted civilians.

1794. That is to say, you have held the same kind of appointments as those held by covenanted civilians or staff officers?—Yes. My first appointment was obtained on the strength of a certificate which I obtained in England, a certificate of surveying. My present salary is 1,320 rupees, rising to 1,400 rupees. My appointment appears in the Table of Precedence, to which reference is made in the Case. It is one of those which gives certain social advantages.

P 2

1795. Then

22 July 1890.]

MR. MERRIMAN.

[Continued.]

Chairman—continued.

1795. Then may I take it generally that the officers of your department have the same grievances and desire the same remedies as officers of the other departments?—Exactly so; and I should like to add with regard to the Survey Department, that it has been spoken of by very good authority in Europe, if my memory serves me rightly, by the secretary of the Geographical Society, who has said that the work done by the Survey Department of the Madras Presidency compared favourably with anything of the kind that had been done in Europe.

Mr. King.

1796. Are the members of your service mostly appointed in India or from home; are they Secretaries of State's men?—They are appointed in India.

1797. Therefore they are under the most unfavourable rules?—Under the most unfavourable rules. There is one other point I have

MR. PETER HORDERN, called in; and Examined.

Chairman.

1802. You are in the Education Department, are you not?—Yes.

1803. What is your present office, Director of Public Instruction in Burmah, is it not?—I am a pensioner at present.

1804. You have retired from the service?—I have retired.

1805. Did you come in under covenant?—I did.

1806. And retired on medical certificate?—I retired on medical certificate.

1807. Are you under the rules of 1855?—I entered under those rules.

1808. And do you consider that the rules of 1855 entitle you to pension at the rate of 2 s. to the rupee?—I contend that they led me to expect that I should receive it.

1809. Have you any other argument other than those which has been placed before us?—I think not. I think my two strongest points are, first, that the rules of 1855 led me to expect a sterling pension; secondly, that my covenant, which has been quoted in other cases, distinctly led me to the same understanding. I have the clause in which it says that all payments shall be at the rate of 10 rupees to the pound.

Mr. MacNeill.

1810. You were in India in 1861 and 1862?—In 1862 I joined.

1811. At that time the rupee was worth 2 s.?—Yes, slightly over 2 s.

1812. Your brethren and yourself, when they went home on pension or on leave, were only paid at the rate of 10 rupees to the £.?—Certainly; I

Mr. King—continued.

missed. In my present appointment out of three deputy commissioners one is a covenanted civilian, another, who lately died, was under the more favourable leave rules; but I am not under the more favourable leave rules because I was not getting 6,000 rupees at a certain date.

1798. The Committee have heard that in February 1876 certain people drawing 6,000 rupees got the benefit of the new rules?—That is so. I did not. Although my pay is now double or three times that of some of those who got it then, I did not get it.

1799. You all follow the same position?—We all follow the same position.

1800. You are under the most unfavourable Indian leave rules?—Under the most unfavourable leave rules.

1801. Speaking for your service, you desire that they should be put at any rate on the European rules?—Most decidedly so.

Mr. MacNeill—continued.

should like to mention one grievance which I consider a very strong one. I think it has been mentioned, but I have not attended the whole Committee; that is, as to furlough not being allowed to count as service for pension.

Chairman.

1813. We have had that very well laid before us?—I have lost the value of six years. I have had six years' furlough, and not a day of it has been allowed to count. It has been lost through sick leave, and my pension has on this account been considerably reduced.

Mr. King.

1814. From sick leave on medical certificate?—Yes, on medical certificate.

1815. What is your length of service?—Twenty-six years.

1816. And out of that you have lost six years?—Six years have been furlough.

1817. Did you commence at the age of 22 or did you count before 22?—No, I was after 22, I was 25.

1818. Then that does not affect you?—It does not.

Mr. MacNeill.

1819. Is the rule prevalent in your branch which was mentioned, I think, by Mr. Barnes, that if a gentleman went home on furlough and only remained at home, say, for three months on furlough, his year was taken out?—I am not aware of that rule.

22 July 1890.

MR. SAMUEL JAMES HARRISON, called in; and Examined.

Chairman.

1820. Did you enter the service of the Government of India in 1848?—Yes, on the 1st April 1848.

1821. By nomination?—By nomination, which was the only system in existence at that time; there was no such thing as competition.

1822. Have you now retired?—I have.

1823. When did you retire?—I retired in 1879 first of all, and I have got here a Report by the Accountant General on my case, part of which I beg leave to read.

1824. Do you want to bring an individual case before the Committee?—No, I want to show that retrospective effect has been given in my case to the rules.

1825. Retrospective effect has been given to the rules?—Yes, the Accountant General reported in this way on my case in 1879: "Memorandum from the Officiating Accountant General, No. P. 7582, dated 18th August 1879. Reporting that whether Mr. Harrison continues or not in his present appointment on reduced pay, he will be entitled to receive the same pension, not exceeding 5,000 rupees per annum, to which he was eligible on 1st July 1879, provided no adverse alteration in the rules of the Pension Code be made in the meanwhile."

1826. Did you ever take advantage of the new rules?—I did not take advantage of the new rules.

1827. But you took leave under them it is said, is it not?—I took leave under them because that was compulsory. You could only take leave under the new rules and not under the old.

1828. Were you then told that because you had taken leave under the new rules, and not under the old, therefore you came under them?—No, I was told first of all that a part of my past service could not count for pension, and that the Secretary of State's orders with regard to reckoning service under the old rules were intended to apply to invalid pensions only, and to no other sort of pension, and the Accountant General also reported that I had taken advantage of the new rules in taking half salary for 15 months instead of half salary for only 12 months. The old rules gave half salary for the first 12 months, and one third salary for the remainder of the two years that you might take. The new rules only gave half salary for 15 months, and one-fourth salary for the remainder; so that if I had taken my two years' leave so that if I had drawn more under the old I could have drawn more under the old I rules than under the new rules. Although I had taken only the above 15 months' leave in the whole course of my service of 39 years, the Bombay Government refused me six months' leave on private affairs at the end of my service because I was over 55 years of age, thus applying to me a new restriction, notwithstanding that I had applied for the leave under the rules. I might say here that I was the writer of that memorial which was sent to the Secretary of State in 1888, in case you wish to ask me any question about it.

1829. You sent in a memorial on your own account, did you?—No; I wrote the memorial signed by the late Mr. W. Clark and others, all East India Company's men. Although that

Chairman—continued.

memorial was written on the basis of the Act 21 & 22 Vict. c. 106, the reply which we got to that memorial does not allude to that Act in any way whatever. It merely refers us to a very late rule requiring meritorious service which we at that time had no opportunity of rendering. A former witness (Mr. Jenkins) has already referred to General Sir Richard Strachey's evidence, and to former pension codes about deferred pay being the contribution to pensions of uncovenanted servants. In addition may be mentioned Mr. E. F. Harrison's evidence (a high financial officer of the Government of India) before the Select Committee on Indian Finance in 1872 about the pay of uncovenanted servants being fixed on a reduced scale to provide for pensions, this being better than a deduction from higher pay.

1830. Do you also call the attention of the Committee to a statement in paragraph 12 of the Government of India Resolution in the Public Works Department, No. 304, E.-G., of the 1st March 1870?—Yes.

1831. What is that?—"The principle involved is that Government salaries are fixed on such a scale as to render admissible a future contingent adjustment in the shape of pension, which is in truth only a deferred payment of salary." I had better read the evidence given before the Select Committee of the House of Commons in 1872.

1832. I think you had better refer us to it?—It is in answer to Questions 5959 to 5962; it is very short. The first question asked by Mr. Beach is this: "Is there any deduction from the pay in the form of a superannuation fund?—Not in the case of the ordinary service of the Government. (5960) Is there any other service?—There are special arrangements for the civil service in which there is a deduction made of 4 per cent. and retiring pay granted under special conditions. In the police, too, there was a system of making a regular deduction from the pay; that has been put a stop to, it is not the general condition. (5961) Was it found to be unsuccessful, was it found to be unpopular amongst those who were employed?—No, I am not aware that it was open to objection on that account, but it was thought a needless process of taking money on the one hand to confer a prospective benefit on the other, and that it was better to fix the rate of pay with reference to the prospective advantage of a pension than to complicate the matter by a deduction. (5962.) Was the pay reduced in consequence of there being no deduction?—Yes."

Mr. Howorth.

1833. I think I understand you to say that in your terms of service there was a proviso that in case the rules in regard to furlough and leave should be afterwards altered, that should be virtually included in your agreement?—No, there was no such proviso.

1834. You read out a proviso to that effect, I understood?—No; this is a late proviso by the Accountant General. That is from the new rules.

P 3

1835. You

22 July 1890.]

Mr. HARRISON.

[Continued.]

Mr. King.

1835. You were under the Old East India Company; you were in their service?—Yes.

1836. Were you under covenant with them?—I was, inasmuch as I entered under the old rules.

1837. During the greater part of the time that you served, first the company and then the Government of India, the rupee was at 2 s., or close upon 2 s.?—It was, or above 2 s.

1838. During that time you were paying your deferred pay?—Yes, all the time I was earning my pension.

1839. Which is now being repaid to you at the rate of 1 s. 5 d.?—At the rate of 1 s. 5 d., yes. There is one point I would like to mention with regard to the expression, "not claimable as of right," which was used by the Court of Directors in 1854, when they sanctioned the half-pay pension, after 35 years' service without medical certificate.

Chairman.

1840. What do you wish to say about that?—I say about that that the same expression occurs in the leave rules of that period sanctioned by the Court; they say, "No leave of absence on private affairs shall be claimable by any party whatever under these rules as a matter of right." That made a distinction between leave on private affairs and sick leave; and it is exactly the same in the Order of 1854 with regard to pensions; no pensions could be claimed of right without medical certificate, but they could be claimed as a matter of right with the medical certificate.

Mr. King.

1841. It is in regard to a question put to one of the witnesses by Sir William Plowden that you wish to give that explanation, is it not?—Yes.

Thursday, 24th July 1890.

MEMBERS PRESENT:

Mr. Barbour.
Mr. Buchanan.
Sir John E. Gorst.
Mr. King.

Mr. MacNeill.
Mr. Alfred Pease.
Sir William Plowden.

THE RIGHT HONOURABLE SIR JOHN E. GORST, IN THE CHAIR.

Mr. T. HESKETH BIGGS, called in; and Examined.

Chairman.

1842. WHAT is your present position in the Government Service in India?—I am Comptroller, Burmah, and Commissioner of Paper Currency, Rangoon.

1843. I believe you have only just landed from India?—Yes, the day before yesterday.

1844. We have been having a long inquiry; have you yet had time to read the evidence which has been given?—No, indeed I have not.

1845. Will you then allow me to examine you upon one or two points which have not been already before the Committee?—Certainly.

1846. The first question I want to ask is, what are your views as to the identity of the basis on which the covenanted and uncovenanted pensions were originally paid?—Up to 1824 covenanted officers received no pension; but proposals were at that time made by the Bengal civilians to start an annuity fund to allow of eight or nine retirements upon life annuities of 7,000 rupees each; 4 per cent. was to be deducted from the salary of each officer, and they solicited a contribution from the Company, and also that the sums required in England should be issued by the Company at a favourable rate of exchange. In the Despatch to the Governor General in Council of the 8th December 1824 the Court of Directors state, "it seems obvious, therefore, that an annuity fund to be successful, must derive material assistance from the Company." I dare say you have this Despatch.

1847. We have had these Despatches referred to before?—Then it is only necessary for me to refer to paragraph 77; that is about the request to have a favourable rate of exchange. The Directors say, "Although we cannot acquiesce in this request, so far as respects the rate of exchange, yet, from a desire to meet the convenience of the retired servants, we have determined that every annuity, as it shall become due, be paid over by the managers of the fund to your Government, and issued to the annuitant, by the Company in England, at an exchange of 2 s., the Sicca rupee." Then the covenanted officers had no legal claim to pension at 2 s. It was granted by the Court of Directors as an act of grace, and that continued up to the year 1874, when the

0.135.

Chairman—continued.

annuity funds were taken over by Government, and the covenanted officers then obtained a legal claim to have their pensions paid in sterling.

Mr. Buchanan.

1848. What date was that which you are now reading, please?—Eighth December 1824. The full particulars of the uncovenanted pensions are already in the hands of the Committee; therefore, I need only refer to the Despatch of the Court of Directors, No. 21, dated 28th February 1885. In paragraph 3 the Directors say, "You have also brought to our notice that the Pension Rules of 1831 appear to require some amendment, especially in regard to the cases of highly paid appointments of from 1,000 l. to 2,400 l. per annum, the occupants of which appointments, if invalidated after 30 years' service are entitled, under the present rule, to receive half a pension varying from 500 l. to 1,200 l. per annum, whereas the covenanted servant after 25 years' service receives a pension from the Government of only 500 l. per annum in any case. In the above particular we concur in thinking the present rule to be defective, and we desire that a clause be introduced providing (as respects persons hereafter appointed to the service), that in no case shall a larger pension than 400 l. per annum be granted to uncovenanted servants receiving salaries of 700 to 1,000 rupees a month, nor a larger pension than 500 l. per annum to uncovenanted servants receiving salaries above that amount, whether the retirement be from ill-health (after either 20 or 30 years' service) or without a medical certificate after 35 years' service, under the authority conveyed in our Despatch of 5th May, 1854, No. 18." I think that that proves that the basis of the pensions is identical, and was so up to 1874.

Chairman.

1849. Do you think the present unsatisfactory state of the pension rules affects the efficiency of the service?—Yes, undoubtedly it does. I do not think the Government realise the loss of efficiency caused by the unrest and dissatisfaction caused by the present unsatisfactory state of our

24 July 1890.]

Mr. BIGGS.

[Continued.]

Chairman—continued.

our pension rules. There is no one to represent uncovenanted officers on the Viceroy's or the Secretary of State's Council, and the Government is not in touch with them. It must be recollected that the bulk of the men of the uncovenanted service are men on salaries which are only just sufficient, as a rule, for them to live on, and perhaps for them to take an occasional furlough to England. The cost of the education of Indian children has increased, not decreased, of late years, and there is too often a sick wife to be sent home or to the hills, and men fall ill themselves. It is therefore, as a rule, impossible for an uncovenanted officer to save anything wherewith to supplement his pension, and he has only that to look forward to. With the uncertainty of exchange, and the gradual reduction in sterling value of his pension he has come to look forward to his retirement with a dread and anxiety, which must tell on his efficiency as a Government officer; he is more often compelled to stay on when he knows he ought not to, and is not fit to do his work, and the Government itself allows men to remain

Mr. HENRY ALFRED GREIG, called in; and Examined.

Chairman.

1855. WHAT is your position in the Government of India?—I have none.

1856. Are you now a retired officer?—No; I have been connected with India in a large way in mercantile affairs, and as a member of Lloyd's for the last 30 years. I retired from business about three years ago, and having no particular work on hand, I took up this question for the engineers.

1857. You are the secretary of their association?—Yes. The reason why I believe I appear is, that there was a great desire that Mr. O'Callaghan, who is the Doyen of the profession, should have come over, but he is in India; and from personal interviews with him, and letters almost weekly, extending over a period of nearly three years, I think I know his mind, and much of the evidence that he would give, if he had been called.

1858. Did you hear the statement which Mr. Read made to the Committee?—I did.

1859. Would you be kind enough to supplement that by anything you have to say, without going over the same ground again?—Yes, if you will allow me.

1860. Do you say that these gentlemen have been misled by the prospectuses?—Yes, misled. I have read the prospectuses, and should have been misled by them myself.

1861. In what particulars?—The inducements held out by the Government are, I should think, equivalent to an advertisement, when a house is going to be sold, that there should be no public-house, for instance, built opposite its front door. If the advertisement, asking people to bid for the house, included in that statement, the purchaser would have a right to claim that no public-house should be built there.

Chairman—continued.

on after the age of 55, retarding promotion, when it is known they are not efficient; presumably because pensioning them means their having to retire on an inadequate pension.

1850. Have you prepared a draft set of leave and pension rules which you say would satisfy everybody?—Yes, I have.

1851. Will you put those in as part of your evidence then?—Yes. (*The same were handed in.*)

1852. These rules, you say, if passed, would satisfy everybody?—I think I am right in saying so. I have drawn them up myself, but I believe they would satisfy every one. They have satisfied every one that I have shown them to.

Mr. King.

1853. Between the year 1871 and the year 1874, at what rate were the uncovenanted servants paid their pensions; was it the official rate of exchange?—I believe so.

1854. And at what rate were the covenanted servants paid?—I cannot say, but I believe it was at 2 s. to the rupee.

Chairman—continued.

1862. In what particular do you consider that inducements held out by the Secretary of State have not been fulfilled?—One of the inducements to the men to join first of all (as you have it in evidence from Mr. Grant Duff) was, that it was a service equal to the military and the covenanted services of India. The Secretaries of State who have been down year after year to Cooper's Hill, have been cognizant (which is the greatest point) of the enormous dissatisfaction, and yet have been silent upon the subject. A chairman of a company that issues prospectuses, who knows a thing as that, and does not mention it when he is praising up a certain scheme which he is interested in, would find his shareholders able to take proceedings against him.

1863. I asked you to tell me what are the particulars of the inducements held out that have not been fulfilled?—The men have been promised equality of emoluments, they doing the same work and performing the same duties as the Royal Engineers. I am obliged to mention the name of the Royal Engineers, though I should prefer not to make anything personal. On more than one occasion Mr. Cross was communicated with, and he acted for Lord Kimberly, who was the then Secretary of State.

1864. I only want you to give me the particulars of the promises which you say have been made, but not kept. You say that the men are not equal in emoluments with the Royal Engineers?—I say they were promised equality of emoluments with the Royal Engineers.

1865. Will you now tell me another particular?—May I give an instance of that?

1866. We have had a great deal of evidence of that kind already?—I have listened very attentively, and I have not heard it mentioned. For instance,

24 July 1890.]

Mr. GREIG.

[Continued.]

Chairman—continued.

instance, in the Public Works Department Establishment in the Central Provinces of India. Mr. Glass, a superintending engineer of the second class, has been 23 years in the service, and draws a salary of 1,350 rupees. Mr. Penny, a civil engineer of the second grade, who has been 15½ years in the service, draws 800; Mr. Morris Leslie, 14½ years in the service, draws 700; Mr. Leventhorpe, 12½ years in the service, draws 600. All these are civil engineers who have gone in under inducements, I maintain, that were held out to them, of equal emoluments, or have continued in the service on those promises and suggestions of the Secretary of State. Mr. Palmer, who has been 11½ years in the service, draws 600 rupees a year, while the second man, who has only been in the department 11 years (Lieutenant Colonel Peters, R.E.), gets 1,544 rupees a month.

1867. Did you know that commissions in the Royal Engineers were offered last year to successful students at Cooper's Hill, and that they were declined by them?—Probably. People are foolish sometimes; or, unless I know the whole circumstances connected with it, I must say that I cannot say whether it was a wise thing or a foolish thing; but the great point I make is that the Secretaries of State have been silent; these Indian gentlemen and officials who have appeared at Cooper's Hill year after year have said nothing as to the dissatisfaction in the service.

1868. Do you put it that the Secretary of State intended to mislead them?—No; I say that it is misleading to keep such things back when making a speech congratulating the men on entering a splendid service, congratulating them upon the career open to them, knowing at the same time that every Secretary of State has been inundated with complaints and memorials asking for changes in the treatment of the service, and to be made in the treatment of the service, and asking for promises to be kept. Every Secretary of State, when he has entered office at the India Office here, has had to grapple with this question.

1869. But when the Secretary of State finds that the young men who are educated at Cooper's Hill and their parents and guardians are so foolish as to prefer the Civil Engineering Service to service in the Royal Engineers, may he not innocently, and without intention to mislead, make a little flourish and praise the service which the young men and their guardians so highly value?—I do not wish to be rude; but I should like to give one simple case like that, which has occurred only last year. I have here what I consider evidence of the ignorance of the state students and of parents as to the state of affairs. I have received abundant evidence of the fact, which evidence I can put in as my answer, if I may be allowed to do so. I have received 500 or 600 letters in the last two or three years from civil engineers of all classes, and numerous letters from the parents of boys at Cooper's Hill. The burden of their letters was always the same: We sent our sons to Cooper's Hill owing to the advertisements in English newspapers, and the yearly speeches of the Secretaries or Under Secretaries of State on prize

0.135.

days. We were also aware of the Despatches of the Secretary of State which promised equality of emoluments, and in almost every instance the parents declared they would never have chosen the career through Cooper's Hill College, had they supposed their sons would have been placed in their present unsatisfactory position. The bitterness of the tone of these letters shows how keenly disappointed are the fathers of men who joined Cooper's Hill. Some complain, too, that nothing was altered by the Government in the yearly advertisements of Cooper's Hill, though they knew of the grievances which existed among the civil engineers.

1870. I do not think this Committee is appointed to sit upon the criminality of the Secretaries of State and the Under Secretaries of State; but rather to inquire what are the grievances which the uncovenanted officers complain of; would you come to that part of your evidence?—The parents who spoke to me about the men are, of course, the parents of young fellows, or boys under 21. In choosing this career for their sons the parents say that they were present, or that they did read these Cooper's Hill Prize Day speeches, in which not a word was ever said by those who spoke of the dissatisfaction that was existing in the service, and which has existed from the time of the Duke of Argyll down to now; had it been otherwise they would not have sent their sons there.

1871. You mention in the proof of your evidence that you would like to give a typical case, that of Mr. A. S. Ritchie; will you state the particulars of that case?—Yes; A typical case is that of Mr. A. S. Ritchie. His father was a colonel in the Royal Engineers. The son in 1874 passes into Woolwich, 19th place in 36 appointments, 120 candidates. His father died, and Mr. Ritchie's guardian says he made inquiries at the India Office as to Cooper's Hill, and was informed that that college was started especially to do away with the necessity of employing Royal Engineers for Public Works in India. Also a Cooper's Hill man was certain of Public Works Department employment, and a Royal Engineer was not. Also the Public Works Department was next best to the Civil Service in India. The guardian states that he paid several visits to the India Office before deciding as to removing Ritchie from Woolwich to Cooper's Hill. He wrote to Mrs. Macdonald Ritchie that her son would get 420 l. a year in three years, and promotion of at least 100 l. a year about every three years. In 12 or 14 years her son would be at least, executive engineer, 2nd grade, on 960 l. a year. The mother reluctantly consented to the change, her sympathies and desires were for her son to be in his father's corps or service; but the guardian's information from head-quarters caused her to yield. Mr. Ritchie is not, at the end of 16 years from 1874, 1st grade assistant engineer, and has never drawn the equivalent of 420 l. He met Captain Haines, R. A., in 1885, who got the vacancy Ritchie made by leaving Woolwich, and Captain Haines was drawing 625 rupees a month to Ritchie's 500. Last year he met Captain Lecky, who entered Woolwich in 1875, and was drawing

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24 July 1890.]

Mr. GREIG.

[Continued.]

Chairman—continued.

drawing 100 rupees a month more than Ritchie, and who is unable to take his furlough as the furlough allowance forbids it.

1872. You are acquainted with Indian banks, are you?—I am.

1873. Do you know how they pay their pensions?—I made inquiries as lately as yesterday, and find that they all pay the rupee at 2 s. to their clerks, managers, &c., and allow all family monies remitted through the bank to be paid to the wives and children, and schooling and all that sort of thing, if it is a genuine family remittance, at the 2 s.

1874. Is that in consequence of any specific contract with their servants when they entered their service?—No.

Mr. King.

1875. Can you give a list of the banks which you went to to make your inquiries?—The Chartered Mercantile Bank is one. It is exactly the same. I was going to say, with the China banks. They give the 6 s. to the teal, or 4 s. 6 d., every one of them. The Chartered Bank, the National Bank, the Hong Kong and Shanghai all pay the 2 s. to the rupee.

Mr. HENRY WATERFIELD, C.B., called in; and Examined.

Chairman.

1880-81. I BELIEVE you are the Secretary of the Financial Department of the India Office?—I am.

1882. Were the first pension rules those of 1819?—Yes, for Uncovenanted Civil Servants.

1883. Were they applicable to Europeans and natives alike?—They were. They were expressed to be so. To "uncovenanted assistants, clerks, or officers of any description, whether European or native, entertained or employed on the public establishments of Government."

1884. In the rules of 1831 were any distinctions of race made?—No; they were applicable to subordinate officers in the Civil Department, if they were in the superior classes.

1885. Can you tell us what is meant by "the superior classes"?—Roughly it may be taken as meaning those drawing pay at the rate of 10 rupees a month, or upwards.

1886. We have already heard that under these rules the retirement could take place on medical certificate only?—On medical certificate only.

1887. And that the maximum of pension fixed was one-third, between 20 and 30 years, and one-half for service exceeding 30 years?—It was.

1888. Were the rules of 1854 the first rules under which uncovenanted servants were granted pensions without medical certificate?—Yes; but I do not think it is quite correct to speak of the rules of 1854. It was a rule made in 1854, in addition to the rules of 1831.

1889. Has that rule been put in?—It is contained in the Despatch of the 5th May 1854, which has been put in.

Mr. King—continued.

1876. The Chartered, the Mercantile, and the Oriental?—Yes.

Mr. Barbour.

1877. Do you happen to know whether their arrangements with their clerks are made in sterling without reference to rupees or in rupees?—They are made in both.

1878. When you say they are made in both, do you mean to say that they make the contract with the clerk, giving him the option to take his pay in sterling, or at a fixed number of rupees (specified in the contract) at his option?—I do not think it is in the contract. I, of course, have not seen the contract, but the manager spoke to me and said they had done that.

1879. In a general way, I suppose?—No, not in a general way. I asked him the question, had they consulted their shareholders, because it is something like the case of a taxpayer whom we hear about; and he said no; they paid the full rupee; it was necessary to have all their employés quite satisfied, especially in banks. But all I meant in the remark I made a little time ago, that you probably took exception to, was that the concealment of all these particular points could only tend more or less to dissatisfaction in the service.

Chairman—continued.

1890. Will you be good enough to read the rule, if you have got it?—It was authority to grant "to any uncovenanted servant belonging to a class recognised by the present rules, who, though not possessed of a medical certificate of incapacity, may be permitted to retire from the service, and who can produce unquestionable testimonials of a faithful and efficient discharge of his duties during a period of 35 years, a pension equal to half the average salary which he may have received during the last five years of his service. These pensions are to be regarded as the rewards of good service; they will not, in any case, be claimable as of right; and every pension which you may see sufficient reason to grant must be reported to us, with a statement of the grounds of your proceeding." That is, the same pension after 35 years' service as was permissible on medical certificate after 30 years.

1891. Are these pension rules applicable to both Europeans and natives?—Yes.

1892. Were they originally applied to Europeans who drew high salaries; the higher-salaried Europeans?—Nothing was said about it. At the time they were published there were scarcely any Europeans drawing high salaries; they were not excluded, but there is a Despatch of the Court of Directors in 1853, which shows that they had not contemplated the admission of officers drawing high salaries to pensions under the rules of 1831. It arose in the case of the Deputy Postmaster General of Calcutta, who was at the time in the receipt of a salary of 2,000 rupees a month. He asked for a pension, which was refused because he was not incapacitated

24 July 1890.]

Mr. WATERFIELD, C.B.

[Continued.]

Chairman—continued.

tated for further employment; and the Court, in refusing it, said: "Nor can we indeed admit that those rules contemplated the grant of a pension on retirement to officers so highly remunerated as Mr. Bennett now is."

Mr. MacNeill.

1893. Did he get nothing at all?—I presume their meaning was that they would consider any such case specially, and that they did not intend the rules of 1831 to be applicable to such cases.

Chairman.

1894. Prior to 1864 were any pensions of uncovenanted servants paid in England?—Not unless specially sanctioned.

1895. Has a Return been made to the House of Commons of the few cases in which such special payment of pensions was given?—Yes.

1896. Is that the Return of 1889?—Yes, No. 171.

1897. Is it one of the documents that has been put in?—I have it here ready to hand in. (*The document was handed in.*)

1898. That is a Return of all the pensions granted to uncovenanted civil servants which were payable in England prior to the year 1864?—Yes.

Mr. King.

1899. But it is not strictly accurate, is it?—I shall be prepared to answer any questions as to its inaccuracy.

1900. I was not criticising it for the moment, but I think there was a mistake made about the date on which it was to be calculated, was there not?—No: the mistake you refer to is as to the date, "1864." We took that to mean before the date, "1864." Under a Despatch of 1862, the 1st April 1864. Under a Despatch of 1862, the rupee pensions first came to be paid in England in the year 1864-5; and when that Return was asked for we took it to refer to pensions payable in England before the 1st April 1864.

Chairman.

1901. Did the suggestion for these rupee pensions to be payable in London come from the Government or from the uncovenanted civil servants?—From the uncovenanted civil servants.

1902. And was it granted as a favour, as a boon?—Certainly.

1903. What reason was given for desiring to have the pensions paid in London?—They wished to be relieved of the delay, risk, and inconvenience, of employing agents in India to draw their pensions and remit them to England.

1904. And the permission was given to draw their pensions in London?—Yes. Sir Charles Wood's Despatch of 1862 said he was willing to undertake the task of remitting the pensions, because "the charge to Government would be very inconsiderable;" and he insured that by providing that the pensions should be paid at the rate of exchange annually fixed in communication with the Lords of the Treasury for the adjustment of transactions between the British and Indian Exchequers. That is rather a long definition, and one which we usually shorten into the "official rate of exchange."

O.135.

Chairman—continued.

1905. Will you tell the Committee when the official rate of exchange was first instituted?—In 1824.

1906. How is it fixed or determined?—In December of each year a calculation is made at the India Office of the cost of sending a rupee to India based on the market price of silver in London, and of the cost of bringing a rupee from India based on the price of bills on London in Calcutta. A mean between the two is struck, and the nearest farthing thereto is taken as the adjusting rate for the coming official year, subject to its acceptance by the Treasury.

1907. Will you tell the Committee generally what payments are made upon that basis?—Repayments to the Indian Government of sums disbursed in India on account of the War Office or the Colonial Office, or any other part of Her Majesty's British Government; and payments made to the British Government in England of sums received in India on behalf of those offices. The rate is applied to all transactions between the two Governments, in which the one has acted as an agent for the other. It is also applied to the family and miscellaneous remittances, and to the payment of furlough pay and uncovenanted service pensions, being taken as the fairest rate that could be arrived at for the adjustment of the remittance transactions.

1908. Can you give the Committee any idea of the amount of transactions which are subject to this rate?—The aggregate amount in the last official year of the sums which we have to pay to the Treasury, and which they pay to us, and of the other remittances, was about 800,000 l.; I suppose, adding in the furlough pay and pensions, it may be put roughly at about 1,000,000 l. a year.

Mr. Barbour.

1909. Does that indicate the balance between the two?—No, not the balance between the two. That is the aggregate. The balance between the two would, of course, be much smaller. The net payments by the Secretary of State would, perhaps, be about 500,000 l. to 700,000 l. a year.

1910. Do I understand you to say that a million sterling covers all the payments that the Indian Government have to make in England, and all the payments made in India on account of the Home Government?—Yes, the two added together, with the other remittance transactions.

1911. Not more than a million sterling?—Perhaps I have not explained myself sufficiently. They are only the transactions or payments which are made by each Government as agent for the other Government.

Chairman.

1912. These are only the transactions between the two treasuries, and do not include the payments for the Army, and the payment of the guaranteed interest, or anything of that kind?—No.

1913. Nor payments for stores, and so on?—No; they are the agency transactions that the two Governments effect for one another, and those which the Indian Government effects in England on behalf of Native States and local bodies in India.

Q 2

1914. It

24 July 1890.]

MR. WATERFIELD, C.B.

[Continued.]

Chairman—continued.

1914. It is the adjustment between the British Treasury and the Indian Treasury, is it not?—It is the adjustment between the British Treasury and the Indian Treasury. For instance, with regard to the emigration receipts, certain sums have to be paid in India, and, instead of their being actually sent through agents to that country, the Government supplies the emigration agents in India, and the India Office recovers the amount from the Crown Agents here, the adjustment being made at this official rate of exchange.

1915. For how long a period is the official rate of exchange fixed?—For one year.

1916. I will ask you this question generally. Has it in your experience been found a fair average rate of exchange?—Yes.

1917. Sometimes the commercial rate is above it, and sometimes the commercial rate is below it, is it not?—Yes; but I should prefer not taking the words “commercial rate.”

1918. The market rate?—I should prefer to say the rate of exchange at which we are able to sell bills on India.

Mr. MacNeill.

1919. The commercial rate of course varies from day to day?—It varies from day to day. I have no notes of the commercial transactions, but I have notes of the weekly sales of bills on India.

Chairman.

1920. This official rate of exchange has proved in the long run to be a fair average, has it not?—Quite so. Shall I illustrate it by the figures?

1921. I wished to shorten it, but as these gentlemen ask questions upon it, perhaps you had better illustrate it?—I will take first the rates from 1837–38. I begin there because before that year the rates were based on the Sicca rupee, and it is not quite the same exchange; but, after the Company's rupee, which is the present one, came into existence, for the 26 years from 1837–38 to 1861–62, the official rate had in 11 years been below the rate of remittance and in 15 years above it. I have added up the totals for those years, and find that they were 49 s. 4 d. for the official rate, and 49 s. 0½ d. for the remitting rate, giving a difference of about one-half per cent. in favour of the official rate.

1922. Is the same rate applied to family remittances of military officers?—It is. That has been so since 1834.

1923. Now may I ask you whether the pensioners of the uncovenanted Civil Service are still at liberty to draw their pension in India if they please?—Yes.

1924. And can they remit it through the ordinary private channels?—Yes.

1925. Do you consider that the right to remit at the official rate of exchange has been on the whole a benefit to the pensioners?—Yes. Making a similar calculation for the time since they have had permission so to draw their pensions, I find that the totals for the 27 years, beginning with 1863–4, were 48 s. 1½ d. for the official rate, and 46 s. 11½ d. for the average remitting rate, showing the former to have been on the average about 2½ per cent. above the latter.

Mr. Barbour.

1926. That is to say, a public servant having the official rate gained 2½ per cent.?—Two and-a-half per cent. on the average of the years.

Mr. MacNeill.

1927. It is spread over an immense number of years, is it not?—Quite so; it is spread over the whole time. It is the average advantage that they have.

Chairman.

1928. In 1855 was it brought to the notice of Government that some of the uncovenanted officers were drawing larger salaries than had previously been customary?—Yes. They were gradually beginning to rise. Some had already risen, and the position of the service generally was rising.

1929. Was it pointed out in consequence that their half-pay pensions would amount to more than 500 l. or 5,000 rupees?—Yes.

1930. Was it in consequence of that that the Despatch of 28th February 1855 was sent out by the Court of Directors?—Yes.

1931. State shortly what that Despatch was?—In that Despatch it was laid down “(as respects persons hereafter to be appointed to the service), that in no case shall a larger pension than 400 l. per annum be granted to uncovenanted servants receiving salaries of 700 to 1,000 rupees a month, nor a larger pension than 500 l. per annum to uncovenanted servants receiving salaries above that amount.”

1932. Was there shortly after a case (that of Mr. Elliot) which illustrates this point?—Yes. The case of Mr. Elliot is the only one on record which shows what the Court of Directors would have done under the circumstances of an officer drawing a very high salary who had been in the service before that Despatch of 1855.

1933. What was the case of Mr. Elliot?—Mr. Elliot was an officer of exceptional merit in Madras; he held two offices, those of chief magistrate and superintendent of police, and of first judge of the Court of Small Causes, in each of which he was at the time of his retirement drawing a salary of 1,500 rupees a month, or 18,000 rupees a year. The Madras Government recommended a pension equal to half the salary in either of his offices. The Court, recognising his great services, especially in reorganising the Madras Police, granted him a good service pension of 700 l. a year, which was rather less than one-fifth of his salary.

Mr. Buchanan.

1934. In what year was that? The date of that is 25th April 1855, about two months after the other Despatch had gone.

Chairman.

1935. Was a question raised in 1862 as to whether officers not already in the receipt of salaries of above 10,000 rupees a year should acquire a right to pensions in excess of 5,000?—Yes.

1936. What was the opinion of the Government

24 July 1890.]

MR. WATERFIELD, C.B.

[Continued.]

Chairman—continued.

ment upon that?—The opinion of all the authorities was uniform, that pensions in excess of 5,000 rupees would be outside the intention of the rules of 1831; but they were not agreed as to the best method of preventing the revenues from being burdened with a heavy pensionary charge which had never been intended. The Bombay Government proposed that each officer, on promotion, should formally resign his claim to a pension in excess of the limits. The Government of India did not like the appearance of recognising the claims; but proposed to concede the right to those who had already attained a high salary, and to refuse it only to those who were still in receipt of lower pay.

1937. What was the decision of the Secretary of State on that?—The Secretary of State observed—

1938. Was that in a Despatch?—Yes, in a Despatch of 8th December 1862. The Secretary of State observed that the rules gave no claim to the full half pay pension, and that they could not have contemplated pensions above 500 l.; so that, while still allowing that exceptional pensions might be permitted in cases of more than ordinary merit, he limited ordinary pensions to 500 l. a year, and determined that a promotion after the 6th of August 1862, to a salary exceeding 10,000 rupees a year, should not carry with it a claim to an increased pension.

1939. Has the contention of the Secretary of State ever since been that the rules of 1831 did not give a claim to a half pay pension?—Yes.

1940. But that they fixed the half salary as the maximum limit above which the pension is not to go?—Quite so; not to give the increase to those appointed after 1855.

1941. And that interpretation of the rules, I believe, has been repeatedly acted upon?—Yes.

1942. With reference to the length of service required for pension, have you any remark to make upon that?—You mean the grievance that 30 years is too long, do you not?

1943. Yes?—I think the only point in relation to that is, what is a proper amount of service to exact from an officer who is in good health. If he is not in good health he can retire after 25 years with the full pension.

1944. Do you know any reason for the difference in that respect between covenanted and uncovenanted civil servants?—I think the two covenanted civil servants are on a totally different footing in that respect. The covenanted civil servant enters into a covenant on his appointment, that he will subscribe 4 per cent. on his salary for a pension; he takes the chance of whether that 4 per cent. he should retire from the service without having held high appointments, he may not have subscribed for more than 300 l. or 400 l. a year. On the other hand, if he should serve long, and hold high appointments, he (as is the case frequently) may have subscribed the whole 1,000 l. a year; in that case he really gets no pension whatever from the Government. The whole thing is on a different footing from the case of an uncovenanted servant, who never pays a penny subscription towards his pension, but has a claim under the rules to retire after a certain period of service.

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Chairman—continued.

1945. Now about the age at which service for pension begins to count. Was that originally fixed by the Court of Directors in 1856 at the age of 16?—It was, in 1856.

1946. Then I believe a change was made in 1861?—In the orders which resulted from the memorials of 1861. The orders contained in the Despatch of 1862 took effect in the rules published in June 1863. Under those orders, service before the age of 22 was not to be allowed to count for pension.

1947. Then was there an objection made to these new rules by Mr. Ferrand, an uncovenanted servant in Madras?—Yes.

1948. On the ground that he might lose under the new rules?—Yes; he was an officer who had been appointed at the age of 16½, so that he had 5½ years' service before he was 22; he had also had some leave, which under the rules of 1863 could not reckon for pension; consequently he feared that the rules for pensions which were then introduced would be very detrimental to him.

1949. In answer to Mr. Ferrand, did the Secretary of State assert any right to make *ex post facto* rules which would injure him?—The Secretary of State said that the general tendency of the new rules was to improve the position of the officers; but that, in any case of an exceptional character, the officers were to be allowed the option of the old or the new rules. The only difficulty that arose was that the leave rules were to be coupled with the pension rules, and an officer who had received benefits under the leave rules of 1863 beyond those permissible under the former leave rules, was not also to have the benefits of the old Pension Rules.

1950. It is a fact, is it not, that telegraph signallers count their service for pension from 18?—Yes; that has been given I believe on very special grounds. It was found that a telegraph signaller was not able to perform the duties of his office, the niceties of signalling, after a certain amount of service; and in order that the Government might be in a position to superannuate him without turning him adrift after a very small service, they allowed him to count from the age of 18.

1951. Are you able to say why the particular age of 22 has been fixed?—I think it was taken as being approximately the age at which a European officer sent out from England would become effective. At that time the candidates were taken from the age of 18 to 27, and they would have to spend a year or more in England before going to India.

Mr. MacNeill.

1952. The covenanted officers, do you mean?—The covenanted officers; and I think it was supposed (approximately) that they would become effective at the age of 22; but I am not able to find anything laid down distinctly as a ground for the application of this age to uncovenanted officers.

Chairman.

1953. With regard to the furlough counting as pension, was it a fact that before 1863 a certain amount of furlough did count as pensionable service

Q 3

24 July 1890.]

MR. WATERFIELD, C.B.

[Continued.]

Chairman—continued.

service?—Yes; two years on sick-leave and two leaves of six months (making altogether one year) on private affairs, were allowed to reckon towards pension.

1954. Is furlough allowed to reckon as pensionable service in the case of some of the departments?—It has been since 1876.

1955. Are those the civil engineers?—Civil engineers selected in England.

1956. And specially educated officers of the Forest Department?—Yes, and also the Geological Survey Department; certain officers in the Madras Agricultural Department; and since that time it has been extended generally to all civil engineers with an English training. I am not quite sure whether they have the full extent of the rules; but they have certainly four years in 30 years' service.

1957. Has it always been the principle of the Government of India that the whole local service should have the same rules?—That has been the principle.

1958. And that no distinction should be made between Europeans and natives?—Yes; but instead of "the Government of India," I should prefer saying, the Secretary of State for India, because the Government of India have, in frequent Despatches, urged that a difference should be made.

1959. What do you mean by the "local service" in India?—European and native officers appointed in India by the local governments.

1960. Do you mean only those appointed in India by the local governments?—I am using the term "local service" for the officers appointed in India, as distinct from those appointed by the Secretary of State and sent out. You were, I presume, putting the question with reference to the furlough rules.

1961. Yes, I was putting the question with reference to the furlough rules. Can you tell the Committee how this difference between the treatment of Europeans appointed in India and Europeans appointed in England has grown up?—It has arisen from the strong feeling expressed by Parliament and carried out by the Secretaries of State, that the officers appointed to the higher grades should be selected usually by competitive examination, but at any rate selected in England so as to insure their having received a high training; and the Despatches of the Secretaries of State on the subject have been very distinct, with a view to preventing anything approaching jobbery, by the local governments appointing officers on the spot who had not gone through such a training as was requisite. I have some Despatches here which show very strong views held by the Secretaries of State at different times on the subject. I think Sir Stafford Northcote's Despatch of 15 May 1868, is the clearest perhaps I can first refer to. The question which arose was, whether different furlough rules might be admitted for Europeans and for natives, and Sir Stafford Northcote wrote, "You are already aware of the views of Her Majesty's Government as to the policy to be adopted in admitting the natives of India to higher posts under Government, and the uncovenanted service evidently offers the most ready

Chairman—continued.

access to them. I am of opinion, therefore, that any rules which may be adopted for leave of absence and furlough to uncovenanted servants should be framed with general reference to this consideration. The principle which I consider should guide you is, that there should not be different rules of leave of absence for persons of different nationalities holding similar offices, but that the rules for each class of appointments should be uniform. Different rules, may, however, be properly adopted for different branches of the uncovenanted service. There are some classes of appointments, the holders of which are in a position very nearly analogous to that of the covenanted civilian, and for which special arrangements should be made. Such, for instance, may be some of the appointments in the engineering and in the educational service. Generally speaking, I am of opinion that the rules for those branches of the service to which it is possible to appoint a considerable proportion of natives, should be framed with a view to the circumstances of natives rather than of Europeans. The observance of this principle will render it necessary carefully to restrict the cases in which long absences can be permitted with retention of appointment." Then, as the result of that Despatch, the Government of India prepared rules which were to be applicable for the furlough of the different classes of officers; but they found very great difficulty in determining which grades were to come under that special provision which was allowed for the education service and similar offices; and it resulted at last in the Secretary of State saying that they must draw up a schedule of grades of departments, to which the rules should be applicable in the future, and that he would admit to the benefits other officers then in the service if the Government of India recommended them by name. Again, the Government of India said it was very invidious to specify the names of officers who should have the better rules, and they tried (if possible) to avoid sending home such lists; but, in December 1871, the Secretary of State said he approved of the rules generally, and he must have the nominal lists prepared for the officers who were to be admitted. Those rules were published on the 3rd January 1872, and that gives the date from which any officer who was then in the service was eligible for the better rules. The lists were then sent home gradually, and approved by the Secretary of State; but there was so much difficulty in settling whether this or that officer ought to have the benefits, that he cut the knot at last by saying, I will admit any one who is now drawing a salary of 500 rupees a month. That was in 1876; consequently the officers who have the better rules are those who were in the service in 1872, provided that in 1876 they had a salary of 500 rupees a month. Those Despatches and that list then formed the ground of the concession of the better furlough rules to certain officers, even though appointed by the local governments; but from that time the Secretary of State has laid down the rule, that unless his sanction is specially sought he will not admit any officer appointed in India to the better rules. That is in accordance with that Despatch, and it confirms what I was saying

24 July 1890.]

MR. WATERFIELD, C.B.

[Continued.]

Chairman—continued.

saying about the objection to local appointments being made in India to the higher grades of the departments.

1962. Now, those who do not have these more favourable leave rules are granted leave in the same way that the natives of India would be granted leave, are they not?—They are. I was going to refer after that to a Despatch of 1880, which shows that the same view has been maintained. This is a Despatch of Lord Hartington. It is rather a long extract to read, but I believe it will make clear to the Committee why this rule is maintained of not allowing the officers appointed by the local governments in India to receive the better rules. It is a Despatch of the 14th October 1880. "It has been thought by Her Majesty's Government in a high degree expedient, for political and financial reasons, of which your Excellency will readily apprehend the importance, to employ, as far as possible, the services of qualified natives of India in the civil administration of their country, even though in some instances, and in the earlier stages of the undertaking, such services may appear not so certainly efficient or satisfactory as the services of English candidates for office. Actual experience has shown that, where Englishmen compete before their own countrymen with natives of India for official patronage, they are apt to prevail in the competition more generally than is consistent, not perhaps always with their relative fitness, but certainly with the possibility of such a complete adoption as could be wished of the policy of preferring competent natives. It is most true, as your Excellency represents, that of the sons of civil and military officers, for whom their parents have found a difficulty in providing, there is always in India an abundant supply, incessantly solicitous for patronage, sometimes very fit for it, and usually very powerfully backed and recommended, whether fit or not. To these local claimants are not unfrequently added others as pressing, and as difficult to set aside, but recommended chiefly by personal and sometimes by political interest, such as can never be entirely excluded, and is sometimes difficult to resist. The result, in practice, has been that, with the best intentions, the dispensers of local patronage find themselves liable to be turned aside from the duties they had prescribed to themselves, and thus the strict observance of the declared policy is often impaired and obstructed. It was to remove more completely the obstacles which had been shown to exist to the complete application of this policy, and thus to assist the local governments in this, not the easiest part of their duties, that Her Majesty's Government thought it advisable to insist, in appointments to the higher offices in the uncovenanted service, on the observance of the principle above mentioned, and to extend it to all offices of that class carrying a salary higher than 200 rupees a month, with certain specified exceptions. There are doubtless, as your Excellency remarks, occasions where the strictness of this rule may properly be waived, in consideration of special circumstances. But these are provided for by the opportunity given for reference, in exceptional cases, to the Secretary of State."

tary of State in Council, so that on this head no difficulty need occur. I may add that, antecedently altogether to any policy of employing natives in preference to Europeans, and quite independently of that policy, it had been a long-established constitutional maxim of Anglo-Indian government to discourage and prevent the initial selection of Europeans by the Governments in India for admission into the more important offices in their service, reserving that selection always for the authorities in England, but leaving the location, distribution, and promotion of such Europeans, when once admitted into the service, to the entire discretion of the local governments. It is an historical fact that the observance of this wholesome rule has, more than anything else, conduced to the purity of Indian patronage, and to its general freedom from party and political bias. It is my opinion, and I do not doubt it will be also that of your Excellency in Council, that this valuable principle should be applied as widely as possible."

1963. We have had our attention drawn to a considerable number of covenants entered into by the Secretary of State with various classes of servants on their engagement. Are those covenants usually made for a limited time?—Almost always for a specified time.

1964. And is there generally a condition that if they remain in the service after the expiration of the covenant they become subject to the general rules of the uncovenanted service?—Yes.

1965. Will you explain what you mean by that?—They covenant to render fidelity during the period of their service, and it is provided that if retained after the expiration of their contract they shall be considered as in the Public Works or Telegraph Department, or whatever Department it may be, and that they shall have the benefit of the leave and furlough rules of that Department; or, if it is an educational contract, of the uncovenanted service generally. You ask me about the period of the covenants. They are usually for a period of five or ten years. There have been some instances of 20 years, and there are some in which no period is specified, and six months' notice may be given of termination.

1966. Under those covenants are payments frequently made in sterling?—The covenants are of two kinds, some specifying the payment of salary in rupees, some specifying the payment of salary in sterling, and providing that in payments under that contract one pound shall be taken as equal to 10 rupees. There are other payments which are provided for, such as a fine. An officer who received a grant of his passage money, and after arriving in India failed to fulfil his contract, was under engagement to refund a certain sum which was to be deducted from the salary payable to him in India. The exchange clause would show the amount of rupees that were to be deducted in respect of the 150 £, or whatever it might be that had been paid. There are many cases in which advances of salary, though not expressly provided for by the contract, are made in England, particularly to mechanics and artisans. Advances of salaries are made in sterling, and they are recoverable in

24 July 1890.]

MR. WATERFIELD, C.B.

[Continued.]

Chairman—continued.

in India. The exchange clause settles what the amount is that shall be recovered. In each case for every pound paid in England 10 rupees are to be recovered in India.

1967. I need hardly ask you, but in the interpretation of the terms of those covenants, does the Secretary of State always act under legal advice?—Yes.

1968. And in many cases have sterling payments been made on the application of officers, where there has been some doubt as to the true construction of the covenant?—They have; in my opinion not always what was really intended in the spirit of the contract, but the Secretary of State has never disputed the payment, if he was advised that according to some reading of the contract it might be construed to the benefit of the officer.

1969. One of the cases brought before us is that of Mr. Peterson; Mr. Peterson was not himself a witness, but his was a case mentioned by one of the witnesses; what have you to say about that?—It was a case mentioned by Mr. Jenkins, I think. It is referred to in the case, and I think Mr. Jenkins mentioned it.

1970. What have you to say about Mr. Peterson's case?—Mr. Peterson was one of five officers who were selected for the Educational Department on the recommendation of the Government of Bombay. The Bombay Government specified the salary of these officers in sterling, and, by inadvertence in the India Office, the letters proposing to these officers that they should accept an appointment specified the salary in sterling. It was the custom always to specify it in rupees, but in those five cases a sterling sum was put. After two or three years' service in India, drawing a salary in rupees, Mr. Peterson and Mr. Giles claimed (they were the only two of the five who raised the claim) that their salaries should be paid in sterling. One of them asked that it should be paid into a bank in London periodically. The Secretary of State did not attempt to dispute that there might be a legal right; from the papers I should gather he did not even refer to see if there were a legal right, but he said: If one portion of the agreement is to be acted upon (in a sense which was never intended), there is no reason why another portion should not be acted upon; the agreement is terminable at six months' notice, and you (the Bombay Government) had better give them notice to terminate their engagement, and re-engage them on such terms as were originally intended.

1971. Will you tell the Committee how many persons are affected by this inquiry?—The return which we have from India of the officers on the superior Indian establishments of the Civil Departments on the 31st March 1886, included 7,991 Europeans, 5,347 Eurasians, and 119,514 natives, being a total of 132,852.

1972. Of those Europeans a considerable number are covenanted civil servants and military officers in civil employment, are they not?—Yes.

1973. There are also High Court judges, governors, and others, who would not come under the purview of this Committee?—Ap-

Chairman—continued.

parently all those are included. The return only mentions the numbers and the amount of salary drawn; but it seems to include all those high officers.

1974. How many should you say there would be that would come under that designation?—I suppose something like 1,000 may be deducted, and perhaps even more, with the military officers. Excluding them, I suppose, there must be 5,000 to 6,000 Europeans, besides Eurasians and natives, who would be subject to any alteration of the rules that was made; so that the question probably affects nearly 130,000 men altogether.

1975. I believe since this inquiry began the Government of India have been asked by telegraph to state how many Europeans they have under covenant appointed in England, and how many appointed in India, in accordance with the wish expressed by Mr. King?—Yes, they have been asked to do so.

1976. Have they replied that it would take time to get the information, and that it cannot be got in time for the sittings of the Committee?—Yes. I presume the discrepancy between the figures I have given and those put in the Case, is that the Case omits "non-gazetted officers" as they are called; but the point I wish the Committee to understand is, that the rules are applicable to all this large number of men.

1977. Any alterations made in the rules would apply to natives as well as Europeans, unless a distinction of race were established?—Just so.

1978. A distinction which at present does not exist?—And which the Secretary of State has repeatedly declined to allow to exist.

1979. Is there an error to which you wish to draw attention on page 73 of the Case, about the official rate of exchange?—Yes, I should wish to hand in to the Committee a table of the official rate of exchange, in amplification of that which I gave to Mr. Heyman, and which he has printed in the Case. It contains not only the figures that he had, but also the actual amount realised. I have already explained to the Committee the meaning of the word "official," and I think it is clear that the officer in India who prepared that table which the uncovenanted officers themselves handed in, misunderstood the meaning of the word "official." They supposed it to mean the rate adopted in the official accounts; that is a totally different thing. It is not an unnatural mistake to make; but the phrase "official rate of exchange" is only an abbreviation. The description properly is—"The rate of exchange for the adjustment of transactions between the British and Indian Governments."

Mr. Barbour.

1980. It is the colonial rate that is referred to here?—The "Colonial" rate has passed away. The colonial rate was a rate specified by the Treasury for certain payments, but we have nothing to do with that now. It is stated in that case that the official rate was always 2s. The Committee will see that that is not the case. The official rate has been, as I think I stated in my evidence, frequently below, and sometimes above the 2s., during those years.

1981. The

24 July 1890.]

MR. WATERFIELD, C.B.

[Continued.]

Chairman.

1981. The Act of 1858 conferred no rights in respect to pension which did not previously exist, did it?—No.

1982. Were the superannuation pensions which were granted in 1854 granted under the Rules of 1831 or excepted from them?—They were under the Rules of 1831. It was a mere addition to the Rules of 1831.

1983. The difference was only that the medical certificate was waived, was it not?—That was all. I do not know whether I read to the Committee the clause of the Rule of 1831, that the pension should be granted "on a graduated scale, within the prescribed limitations, with reference to the responsibility and arduousness of the employment, the degree of merit of the individual, and the nature and length of his service." The superannuation pension granted in 1854 was on the same conditions; the only point being that the medical certificate was waived.

1984. I will take you very shortly upon this; and other members of the Committee can cross-examine you upon it if they like. The Government has reserved to itself in one of the rules which was read at the beginning of the meeting the right to alter and interpret the rules?—Yes.

1985. Is that intended on the part of the Secretary of State to be a claim to give retrospective effect to rules so as to injure any officers in the matter of vested interests which had accrued to them?—Certainly not to injure them. It was to interpret the rules, and to judge of what the spirit of the rules is, but not to withdraw from an officer any rights which he had acquired.

1986. And in frequent cases have officers been offered an option between the rules under which they entered and the new rules which were made?—Yes, there have been cases in which new rules have been introduced, when an option has been given. I do not say that has always applied. There are cases of new rules being introduced with immediate effect where the officers did not subsequently have the option.

Mr. King.

1987. I see that you have followed generally in your evidence the points of the case for the uncovenanted servants, as arranged and put in by Mr. Jenkins?—Yes; I endeavoured to arrange it in the order of the six grievances mentioned.

1988. I will first ask you whether you are here to answer with regard to questions of policy, or simply of fact?—Of fact. I will explain what I can, but I have no instructions to answer on policy.

1989. Do you undertake to explain to us the grounds for the adoption of the various changes in the rules, and to explain to us the general policy of the Secretary of State and the Government of India in instituting those rules, and in applying them?—I will do it as well as I can from my perusal of the correspondence. I was not holding office 30 years ago in my present position, so I can only do it from what I have found on record.

1990. I see you say that the pension rules of 1819 were applicable to Europeans and natives?—Yes.

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Mr. King—continued.

1991. And that the Court of Directors recognised no differences on account of race between those appointed in India?—Yes, that is so.

1992. Do you wish the Committee to infer from that that there were any considerable number of Europeans at that time in the service of the company in India uncovenanted?—Yes, there were.

1993. Who came under the Rules of 1819?—Plenty of cases I have found in the correspondence.

1994. In point of fact, were not the rules drawn up for natives, and applied only to natives?—No, certainly not. It was specified distinctly in the rules that they were applicable to Europeans and natives.

1995. At all events, I suppose I may take it, that down to 1831 there were very few Europeans who came under those rules; in point of fact, I presume the Rules of 1819 have no bearing on this inquiry?—I do not think that is a correct inference. In the correspondence of that date I have found frequent cases of Europeans being mentioned as regards pension. I have some notes in my box by which I can illustrate it, if you wish.

1996. I am not speaking of Europeans holding merely artizan appointments?—No, not artizan appointments; secretarial appointments. The secretariat offices, for which these rules were to a great extent devised, comprised both Europeans and natives, and the same rules were applied to them.

1997. Now with regard to the Rules of 1831, you say they also made no distinction of race; when the Rules of 1831 were instituted, was there any considerable number of Europeans in the employ of the company outside the Civil Service?—Yes.

1998. And do you say that they also made no distinction of race between them at that time?—Yes, no distinction.

1999. The Government have made a distinction of race in regard to the treatment of English covenanted servants and the native uncovenanted servants called statutory civilians, have they not?—In respect of what?

2000. In respect of pay and pension?—In respect of pay they have on the ground that the native officer is in his own country, and that therefore the two-thirds pay is equivalent to the salary which would be given to a European.

2001. You think then that what is in the case of the covenanted servant apparently a good argument, is not one for the uncovenanted servant?—No.

2002. I mean although the fact is taken into account in dealing with the covenanted servant that the native is in his own country?—Yes.

2003. And therefore in a different position both in regard to the necessities for pay and pension?—Yes.

Chairman.

2004. May I just interpolate a question to make quite clear what you mean. Do you mean that there is a distinction made between a native covenanted servant and a European covenanted servant?—No, a native covenanted servant who enters by competition in this country receives the full pay; he has the privileges which he would

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24 July 1890.]

MR. WATERFIELD, C.B.

[Continued.]

Chairman—continued.

would have as a European. There is no distinction on account of race. But, if he is specially selected because he is a native and on account of race, he is granted only the two-thirds pay.

M. King.

2005. I was dealing with the ground of making that distinction, and it is admitted that it is made on the ground that the native is in his own country?—In respect of pay that is so.

2006. Can you fix the date at which Europeans began to be drafted by the company into its service, and received appointments in the higher branches either from England or India?—Speaking of the higher appointments, I can only infer what existed from the fact that the Education Department and the Government of India, in 1846, pressed that it should be admitted to the pension rules, and the Public Works Department began to spring up to dimensions of any material size about 1854 or 1855; I fancy that those two Departments were the two that had the largest number of Europeans on high salaries in those days.

2007. It appears from the Despatch of the Court of Directors (20th July 1853, paragraph 5) that in the Uncovenanted Educational Service alone there were 559 persons to whom the privilege of the Rules of 1831 was extended, were these chiefly Europeans?—I cannot answer that question without looking at the Despatch.

2008. Will you refer later to it, and answer it?—I will. I find that on the 1st of May 1847 there were 559 uncovenanted professors, teachers, &c., employed under the Bengal, Agra, and Bombay Governments, of whom 473 were natives, with an average salary of 39 rupees a month, and 86 were Europeans and East Indians, with an average salary of 240 rupees a month.

2009. Did not the Court of Directors in the Despatch of the 28th February 1855 refer to the fact that there were then in the service of the Indian Government men holding appointments of 1,000 £. to 2,400 £. per annum, who were uncovenanted servants?—They refer to the fact that the Government of India had brought to their notice that there were cases of highly paid appointments of 1,000 £. to 2,400 £. per annum held then by uncovenanted officers.

2010. Were not most of these men, or all of them, Europeans?—I presume that the Government had in view Europeans entirely, in so speaking of them.

2011. Were there at that time, with the exception of native judges, any Asiatics in the service of the company who were drawing such salaries?—I think not. I do not wish you to infer from my answer that I think there were many officers holding these appointments of from 1,000 £. to 2,400 £. per annum.

2012. Quite so; I understand that; would you contend that, in appointing uncovenanted Europeans to posts involving such salaries, and in applying to them the Pension Rules of 1831, the Court of Directors intended to imply that there was no distinction to be drawn between a highly paid European uncovenanted officer and natives drawing salaries of over 10 rupees per month?—No, my reading of it is that the Court of Directors said that the Rules of 1831 were not in-

Mr. King—continued.

tended for such officers; those officers were to be dealt with specially.

2013. You will remember the Despatch which has been so often referred to of the Secretary of State, 205 of 1862?—Yes.

2014. I refer to the Despatch in which it is said, "It appears to Her Majesty's Government to be indispensable that the rules to be laid down should be such as are applicable to the whole of that body, of whom the great majority are and must always be of native race, and of native habits"?—Quite so.

2015. Can you show me any Despatch of the Court of Directors which ever laid down that principle?—I do not think I am prepared to show you any such Despatch. It certainly was their policy that the great mass of the uncovenanted servants should be natives, and this seems to be taken for granted in the general tone of their order.

2016. I suppose you could only draw the idea of their policy from their Despatches?—Quite so.

2017. Do you really think that the East India Company intended that European uncovenanted officers in the higher posts should be considered and treated simply as on Indian service?—I do not think that the East India Company considered the question of the Europeans on high salaries until 1853. I read you a Despatch of 1853, in which they said that it was doubtful whether the Rules of 1831 were applicable. Shortly after that they considered what pensions should be given, and they revised them in 1854, and prescribed certain limitations for the future in 1855, with the knowledge before them that there were these high offices.

2018. Were not most of these Europeans selected and sent out from England?—No; I think, with reference to what you said of the large number of education officers, they were certainly not selected and sent out from England. The Public Works officers of 1855 were sent out from England; I believe the educational officers were not.

2019. Were they not selected for special qualifications, and for the reason that natives could not be found to fill the posts?—Who?

2020. These Europeans that were sent out from England to whom I refer?—I rather demur to their being "sent out," if you mean by the Court of Directors.

2021. I mean by the Court of Directors?—I have no evidence to show that the Court of Directors sent out high officers in those days until the Civil Engineers were engaged.

2022. But so far as they did it was, I presume, because they could not find natives fitted to fill the position?—If they did send out such officers, it would be so, no doubt.

2023. Most of them got covenants, did they not?—No; I think there were no covenants until 1855.

2024. I am referring to the earlier ones. There is one of 1849, which has been put in in evidence?—Those were made by the Bengal Government, without the knowledge of the Court of Directors, who animadverted strongly on the irregularity of the proceeding.

2025. Then I am afraid it is no good asking you whether in most of those covenants they were

24 July 1890.]

MR. WATERFIELD, C.B.

[Continued.]

Mr. King—continued.

were offered the benefit of the pension rules relating to uncovenanted servants; and whether the result was, that under those rules, owing to the superior posts occupied by these men, they were in some cases open to receive higher superannuation allowances even than the covenanted service?—That is a point that has been raised.

2026. It was on the covenant, was it not?—It was on the covenant. Mr. Leonard (whose covenant is similar to that in Mr. Smith's case which has been stated to the Committee), was granted a pension exceeding 8,000 rupees under his covenant.

Sir William Plowden.

2027. What is the name of the gentleman you refer to?—Leonard, a civil engineer, sent out in 1855.

Mr. King.

2028. Now we come to the Despatch of the 5th May 1854, which provided for the retirement of men who had served a period of 35 years. Was not this a relaxation of the strictness of the Rules of 1831, to this extent, that instead of having to serve until they became incapacitated by ill-health, men who had performed meritorious service might apply to be discharged at the end of 35 years?—They might apply.

2029. It is a relaxation to that extent, is it not?—Yes, a relaxation of the rule requiring a medical certificate in all cases; it was so.

2030. You state that the superannuation pensions were, therefore, subject to the same conditions as other pensions, excepting only the medical certificate?—Yes.

2031. I suppose by that you wish it to be inferred that under the Rules of 1831 no pension whatever was claimable as of right?—Yes.

2032. I will turn to that later. You say that these pension rules, though applicable to Europeans as well as to natives, were not originally intended for Europeans drawing high salaries?—Yes.

2033. But in point of fact, whatever the original intention, they were applied to such Europeans by the Company, were they not?—I have no evidence, except the case of Mr. Elliot, as to that. That is the only case I can find of a pension, even of 5,000 rupees, being granted before 1858.

2034. You said in Mr. Bennett's case that the Despatch of the Court (which you read) of 1853, showed that the Rules of 1831 were not applicable?—Were not intended to be applicable; I think the words are, are they not?

2035. Were not, in fact, the rules applied in 1854–1855?—To whom? Not to officers drawing salaries above 10,000 rupees.

2036. They were not to apply, you say?—As I say, my search of the records showed me only Mr. Elliot's case, which arose in 1855.

2037. By Despatch, No. 21, of 1855, the Public Works Department was admitted to the benefit of the Rules of 1831, subject to the fixing of the maxima of 400 £. or 4,000 rupees, and 500 £. or 5,000 rupees respectively, according to the length of service?—Yes.

2038. Do you note in that Despatch the use of the terms "sterling" and "rupees"?—I will refer to it, the Despatch of 28th February 1855.

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Mr. King—continued.

2039. Despatch, No. 21. I suppose that is 28th February 1855?—Yes; that does not, in respect of the Public Works Department, refer to any amount. It says: "consistently with that measure we shall accede to your recommendation for embracing within the provisions of the rules such of the uncovenanted servants employed in the Public Works Department as receive above 10 rupees per month of salary." It then goes on to speak of the necessity for limiting the pensions generally, but not specially with reference to the Public Works Department.

2040. What is your explanation of the use of these terms interchangeably?—I do not find that they are used here interchangeably. All the pensions are mentioned in sterling.

2041. Four hundred pounds or 4,000 rupees?—It goes on: "You have also brought to our notice that the Pension Rules of 1831 appear to require some amendment, especially in regard to the cases of highly paid appointments of from 1,000 £. to 2,400 £. per annum, the occupants of which appointments, if invalidated after thirty years' service, are entitled, under the present rule, to receive a half pension varying from 500 £. to 1,200 £. per annum, whereas the covenanted servant after 25 years' service receives a pension from the Government of only 500 £. per annum in any case. In the above particular we concur in thinking the present rule to be defective; and we desire that a clause be introduced providing (as respects persons hereafter appointed to the service) that in no case shall a larger pension than 400 £. per annum be granted to uncovenanted servants receiving salaries of 700 to 1,000 rupees a month, nor a larger pension than 500 £. per annum to uncovenanted servants receiving salaries above that amount, whether the retirement be from ill-health (after either 20 or 30 years' service) or without a medical certificate after 35 years' service, under the authority conveyed in our Despatch of 5th May 1854, No. 18." The two are not stated interchangeably there, but the salaries are spoken of in the quotation from the Government of India in sterling, and in the order of the Court of Directors in rupees.

2042. Do you still, after reading that Despatch, say that the uncovenanted servants were not entitled to claim pensions?—Yes; that word "entitled" is in the part which recites the substance of the Government of India's letter. The orders of the Court of Directors did not use the expression "entitled"; "we desire that a clause be introduced providing (as respects persons hereafter appointed to the service) that in no case shall a larger pension than 400 £. per annum be granted to uncovenanted servants receiving salaries of 700 to 1,000 rupees a month, nor a larger pension than 500 £. per annum to uncovenanted servants receiving salaries above that amount, whether the retirement be from ill-health (after either 20 or 30 years' service), or without a medical certificate after 35 years' service, under the authority conveyed in our Despatch of 5th May 1854, No. 18." What the Court of Directors decided was, to limit the pensions in future.

2043. What is it that would have rendered it a claim

24 July 1890.]

Mr. WATERFIELD, C.B.

[Continued.]

Mr. King—continued.

a claim of right; suppose that both parties had happened to use the word "entitled," would that have done it?—No; I contend that there was no title under the Rules of 1831 to a pension of a specific amount. In practice, no doubt, the officer had from long usage the right to a pension, but the amount of that pension was entirely at the discretion of the Government, to be interpreted according to the Rules of 1831.

2044. Apparently the Government of India of that day differed from you?—I think that the Government of India thought that they were entitled.

2045. Their view of the case was that the uncovenanted servants were entitled, by the use of that word?—I find that what the Government of India said was that the rules of 1831 were "supposed to confer greater advantages on incumbents than they have any good reason to expect. The Court recited this as implying that the officers were "entitled" to the large pensions, but they did not, as far as I can see, admit it.

2046. I may have referred you to the wrong Despatch, but in some of the Despatches they do refer to the pension as being fixed at the maximum of 400*l.*, or 4,000 rupees?—Yes, I think it is very likely there are such Despatches.

2047. What is your explanation of that interchangeability of terms, the use of the word "or," I mean?—It is a conventional way of speaking of pounds as 10 rupees.

2048. On that rule you would have put "400*l.*" and "4,000 rupees" in brackets; you would not put "or"?—I must point out that there was no such thing as a sterling pension payable in England.

2049. I may come to that later?—It had no meaning except to express the tens of rupees.

2050. Is the true explanation that the use of pound sterling with reference to pensions, which you say were payable in India, was adopted for the purpose of expressing to the European the currency in which his pension would be paid, while "rupees" was used to indicate to the native that he would be paid in the currency of his country?—No; the same thing would apply to salaries as to pension. In the Despatch all the salaries are quoted in sterling also.

2051. Not in rupees?—The Government of India put both the pensions and the salary in sterling; but everybody knew perfectly well that they were not going to pay the salaries in sterling; and I do not think any inference can properly be drawn from the payment of the pension in sterling any more than can be drawn from the statement that the payment of the salary was in sterling.

2052. Such a construction, at any rate, might be put upon the words, might it not?—I cannot admit that such a construction could properly be put with regard to a pension which could not be paid except in rupees.

2053. It could be paid in sterling, and was paid in sterling in many cases, was it not?—Only when the pension was granted in sterling, or where special permission was given to receive it in sterling.

2054. Assuming that at that time the rupee had been at a premium, and a European officer

Mr. King—continued.

was retired under these rules, and granted the maximum of 500*l.*, do you say that he would have been entitled to demand 5,000 rupees, worth, let us say, 2*s.* 1*d.* or 2*s.* 1½*d.*?—I find some difficulty in saying what would have been done except by referring to the Return I have put in, which shows what was done; there were only seven cases of rupee pensions being allowed to be paid in England in the whole 58 years under the Court of Directors embraced in the return, and of those only two were allowed to be paid at 2*s.*; five were paid at 1*s.* 11*d.*, which shows that the Court of Directors settled in each special case whether they would let the pension be paid in England at all, and if so, at what rate. I can give you a case of later date in which the officer has been allowed to draw his sterling pension in India at the lower rate of exchange, thereby giving him more rupees than was intended.

2055. In point of fact, would not the Court of Directors have settled with him, whether in India or elsewhere, in pounds sterling, by giving him the equivalent in rupees taken at the rate of 2*s.* to the rupee. Did not they make all their settlements at that rate?—Is it salaries you are speaking of?

2056. Yes?—Salary was so paid, no doubt.

2057. You heard Mr Jenkins' evidence?—Yes.

2058. And his argument as to the fixing of the rate of exchange at 2*s.* to the rupee by the Company as an equitable rate for the discharge of all its obligations to its civil and military officers?—Yes.

2059. I am afraid I must ask your attention at just a little length to his evidence, I have abbreviated it. He referred to a Despatch from the India Board to the Court of Directors dated the 30th June 1814?—You are speaking of the rate of exchange?

2060. Yes, it begins on page 17. He referred to a Despatch from the India Board to the Court of Directors, dated the 30th June 1814, in which they said "that it will be far more eligible, on every consideration, to continue the rate of exchange that has generally obtained and been sanctioned by the usage of Parliament as well in fixing salaries and in the settlement of accounts between the public and the Company," as in the presentation of accounts to Parliament?—Yes.

2061. That rate was 2*s.* to the current rupee?—To the current rupee?

2062. Yes, to the rupee?—No, not to the rupee, to the current rupee.

2063. The Sicca rupee at that time?—No.

2064. What was the rupee then?—There was no such actual coin. The current rupee was the coin of account in Bengal; and as regards its fine silver, if the current rupee was 2*s.*, the present rupee would be worth 2*s.* 2½*d.*

2065. 2*s.* 2½*d.*?—2*s.* 2½*d.* the present Government rupee.

2066. But they took it as 2*s.*, did they not; that is what I put to you?—Yes, they took the current rupee at 2*s.* The Bombay rupee is the nearest approach to the present rupee, and that was taken at 2*s.* 3*d.*

2067. On the 3rd August 1815 the Board says again, "The only computation of the value of the Indian coins referred to in the negotiations between

[Continued.]

Mr. WATERFIELD, C.B.

24 July 1890.]

Mr. King—continued.

between the company and the public, or submitted to the consideration of Parliament, were those of 2*s.* the current rupee," using the word again?—Yes.

2068. "The pay of the civil and military service is received in Indian currency, with the full understanding of its relative value to sterling, on rates which custom has rendered habitual. . . . It would be unwise to make an alteration which might prove the means of furnishing grounds of claim to compensation"?—Yes.

2069. Can you point to any date in the history of the East India Company when that alteration was made, or when the civil or military services, including the uncovenanted, were paid on any rate less than 2*s.* the rupee?—I should like to refer you to the rest of the correspondence from which that passage is taken. That correspondence shows that the rates of exchange adopted in the accounts between the British Government and the East India Company, were the rates which you have quoted, and which were said to be utterly unfair at that time. The Court of Directors from 1814 to 1830, for about 16 years, protested that they were being mulcted at least 4*d.* in the rupee by this calculation; but the India Board refused to give way. The only point was at what rate the British Government should receive the payments in England on account of the troops and other payments from the commercial part of the company's accounts, the commercial part of what was called the territorial part. It was an adjustment of account between the commercial accounts and the territorial accounts, with a view to settling what should remain to the East India Company for the declaration of its dividend or the reduction of its own private debt. The correspondence went on with considerable acrimony until the Charter of 1833 swept away the commercial privileges of the East India Company, and it was no longer necessary to maintain a rate of exchange for this purpose. But long before that came to an end, the Treasury had come to the agreement, from 1824, as I said before, that what we now call the official rate of exchange should be the mode of adjustment for the annual payments that had to be made between the two Governments; and that was based on a totally different rate. Those rates of 1814 had become utterly inapplicable; but the Board of Control were strong enough to prevent the East India Company having the readjustment on fairer rates; and those rates have really nothing whatever to do with the question of the value of the rupee at that date, because, as I have said, they refer to other accounts altogether.

2070. I am sorry I do not make myself plain. The question I want to ask you is: Did not the Court always settle with its servants at 2*s.* to the rupee?—You put that question to me before, and I said then: You mean with reference to salaries.

2071. I mean generally; the military and the uncovenanted servants generally, and all their servants. They took that rate as the rate on which they settled?—I do not know what settlement they had to make. They paid in rupees.

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Mr. King—continued.

2072. There would be the pay (furlough), for instance, to people here?—I have no evidence as to whether they allowed any furlough in those early days. I do not know what the provisions were; there were no specific furlough rules, and I believe, from my reading of the correspondence, that no officer could come to England with a rate of furlough pay, unless specific sanction was given in his case; and then it would be a special sum that he was to be allowed (100*l.*, or whatever it was) during his absence. There was no question of half-pay or adjustment of rupees to sterling in those days.

2073. Was the question of the exchange on any other basis ever raised between the company and its servants, or the Government of India and its servants, previous to the Despatch of Sir Charles Wood in 1862?—So far as I know, there was no question of exchange at all.

2074. However raised?—It was not raised at all. I do not think there was any question of exchange, except that furlough pay was issued at 2*s.* the rupee in the later years after 1854.

2075. You said just now, in your evidence, that no uncovenanted servant was deprived of any right by the institution of that Rule of 1855, any right by the institution of that Rule of 1855, any no uncovenanted officer was deprived of any right on its introduction by that method of fixing the official rate, I think you said?—You are speaking of the Despatch under which the pension was paid in England?

2076. Yes?—Quite so.

2077. Will you explain what you mean exactly by that?—I mean that no uncovenanted officer had the right to draw his pension in England before December 1862.

2078. Do you know whether any applications were made by any of the officers to draw their pensions in sterling prior to 1862?—In specific cases, of which the return has been given.

2079. How many cases are there which were refused?—I really have not searched the records with a view to seeing that, but I can tell you that Mr. Elliot's application was twice refused. I do happen to remember that. Although they granted him a pension under such very exceptional circumstances, and they granted one of 700*l.* a year, the Court of Directors twice refused to allow it to be paid in this country, and it was not until 1859 that he persuaded the Secretary of State to allow it to be paid in England.

2080. As a matter of fact you do not know whether many applications were made to draw it in sterling in this country prior to 1862?—No, I am not able to say whether the applications were made; it was not the rule to grant it, but whether they were made, and refused, or not, I cannot say.

2081. Now we come to the list of Grievances stated in the "Case." Grievance A., Rate of Exchange for Pensions paid in England. You state that before 1864 no pensions granted in rupees were paid in England?—Except in a very few cases.

2082. Will you explain the words "granted in rupees"?—I am speaking there of pensions which the Government of India awarded at so many rupees per annum.

2083. Were

24 July 1890.]

MR. WATERFIELD, C.B.

[Continued.]

Mr. King—continued.

2083. Were all pensions previously to that date granted in rupees?—In a few cases they were granted in sterling. I think, if I may refer you to that return of 1889, you will see that the remarks show that some of them were pensions granted in sterling; the first three on the list were sterling pensions.

2084. Were there not pensions granted in sterling previous to 1864?—There were 14.

2085. You heard one of the witnesses, Mr. Jones, give some instances, did you not?—He did, most of which were inaccurate.

2086. Cases in which he knew of gentlemen retiring on the maximum pension stated in sterling?—Yes. Mr. Jones's evidence was inaccurate on that point.

2087. You contradict his evidence on that point?—I contradict it, except in two cases of those he mentioned.

2088. Will you state which those are?—The list from which Mr. Jones quoted contains 111 cases. Of those, 12 were sterling pensions; three of them had been granted in sterling on special grounds not under the rules, namely, Captain Reddie, Mr. Macleod Wylie, and Mr. Rassam. Captain Reddie was a master attendant; Mr. Wylie was Deputy Secretary to Government in the Home Department; and Mr. Rassam was the assistant political agent at Aden, who was taken prisoner in Abyssinia. Three of them were granted sterling pensions under the special scale prescribed for barrister appointments. They were Mr. Dale, Mr. Brown, and Mr. Hore. There is a special rule in the Code by which appointments that must be filled by barristers of a certain legal standing are allowed a distinct scale of pensions fixed in sterling. Six of the pensions were granted by inadvertence in sterling. It was not found out at the time of the grants. They were paid at the 2s. rate in 1870–71; and in 1871–72, when the rate fell, these officers found their pensions reduced; they appealed; reference was made to India, and it was ascertained that the letters granting the pensions had erroneously stated the amount in sterling; the Secretary of State said he must abide by the letter, and he has paid those ever since in sterling. Those are the only 12 cases.

2089. You say no inference can be drawn from it; but up to 1871, at any rate, the Government of India regarded the sterling pension as the equivalent of the 5,000 rupees?—Certainly not; because out of 111 cases which were being paid in England we were only able to find six in which this blunder had been made.

2090. In case a man had retired, let us say on 700 l. sterling per annum, do you suppose that previously to 1864 he would have had the option of demanding 7,000 rupees from the Government Treasury in India?—Mr. Elliot was granted 700 l., but it was only payable in India, and he was paid 7,000 rupees; and it is quite clear that the Court of Directors intended that at the time, because they referred to the proportion of the salary in sterling when they meant tens of rupees. If he could have persuaded the Court to allow him to draw it in England, I have no doubt they would have given him the 700 l. sterling; but he was unable to persuade them to do so.

Mr. King—continued.

2091. You state that in 1861 the uncovenanted officers asked to be relieved of the delay, &c. of employing agents in India; do you know how many men memorialised the Government on this point?—A very large number; I do not know the number.

2092. It was a very large number?—It was a very large number.

2093. Do you think that that application was generally known in the service at the time?—I have no doubt it was.

2094. In the correspondence which took place in 1884 or 1885 upon the case of Mr. Teale, Mr. Godley was instructed to reply to Mr. Teale, "I am to add that when in a Despatch, dated 8th December 1862, No. 205, the Secretary of State, with reference to a memorial from members of the uncovenanted service, praying for the privilege of drawing their pensions in this country, decided to accede to this request, the concession was coupled with the condition that payment should be made at the rate of exchange annually fixed in communication with the Lords of the Treasury for the adjustment of transactions between the British and Indian Exchequers"?—Yes.

2095. Is that a fair statement of the case?—Yes.

2096. What is the nature of the concession there alluded to?—The privilege of drawing the pension in England.

2097. Will you read paragraphs 10 and 11 of the Despatch 205 of 1862, in which the Secretary of State himself stated the grounds upon which this privilege was allowed?—Yes. "These pensions have hitherto been payable only in India. As a rule, Europeans on being pensioned desire to return to this country, and they are consequently under the necessity of employing an agent in India to receive and remit their pensions. If the pensions are allowed to be paid in England, the delay, risk, and inconvenience of agency will be saved, while the charge to Government would be very inconsiderable. Her Majesty's Government have therefore decided that each uncovenanted servant shall, on retirement, have the option of drawing his pension either in India, or from the Home Treasury. After exercising his option on retirement, he may, at a subsequent period, change the place of payment from England to India, or *vice versa*. This change can, however, be allowed but once. The rate of exchange is an important consideration in regard to payment in England. Her Majesty's Government will not now fix any permanent rate for the purpose, but as a rate of exchange, based on the intrinsic value of the rupee and the market price of bills, is annually fixed in communication with the Lords of the Treasury for the adjustment of transactions between the British and Indian Exchequers, which rate is applied to family remittances of officers serving in India, the same rate appears to be equitable for the payment in England of the pensions of uncovenanted servants, and is therefore to be adopted."

2098. Is there anything, do you think, in that statement which would have conveyed to the mind of the uncovenanted officer who, in 1865

or

24 July 1890.]

MR. WATERFIELD, C.B.

[Continued.]

Mr. King—continued.

or 1866, desired to avail himself of the convenience of drawing his pension pay in England, that he was by so doing assuming the rupee falling to 1s. 4½ d., or any other heavy depreciation?—He was not obliged to run any such risk, because, if he did not avail himself of this permission, he simply drew his pension in rupees in India.

2099. Did not the Secretary of State offer it as a boon designed to evade the delay, risk, and inconvenience of agency, stating, at the same time, that the charge to Government would be very inconsiderable?—Certainly.

2100. Will you notice, in paragraph 11, this statement: "Her Majesty's Government will not now fix any permanent rate for the purpose"?—Yes.

2101. Does not that imply that it was in the mind of the Secretary of State to carry out the policy which had been adopted by the East India Company, of fixing a permanent rate of exchange for the settlement of its pensions with its servants?—No; it is exactly the reverse; he declined to fix a rate.

2102. That is your interpretation of it?—Certainly.

2103. Does not the clause imply that the official rate was adopted as a temporary expedient, and for the reason that it "appeared to be equitable"?—It was adopted as being an equitable rate which would not involve any considerable charge on Government. It was impossible to say what the value of the rupee would be, and whether it would be for or against the officer to take the 2s. rate; but it was quite certain that if this official rate was selected it would be an equitable rate by which the officer would not suffer on the average on his remittance.

2104. Do not you consider that these words "appeared to be equitable" are the guiding feature of the whole settlement?—Yes; quite so.

2105. And do you consider 1s. 4 d. an equitable rate on which to pay these pensions?—From this point of view: because it is approximately the rate at which an officer could himself remit the money.

Chairman.

2106. Have they ever been paid at 1s. 4 d.?—No; 1s. 4½ d. is the lowest.

Mr. King.

2107. At present they are being paid at 1s. 5 d., are they not?—At 1s. 5 d. this year.

2108. The exchange being 1s. 7½ d.?—The exchange to-day is about 1s. 7¼ d.

2109. The Government of India sold its bills yesterday at that rate?—Yes, approximately; it was a little lower, 1s. 7⅓ d.

2110. Can you contend that paragraphs couched in these terms show that it was the intention of the Secretary of State to bind down any retiring officer who accepted the privilege of drawing his pension in England to the loss, however great, that might accrue from a fall in the exchange?—The Secretary of State did not bind him down to anything. He permitted him, if a loss by the lowering of the rate should arise, to go back to India. What the Secretary of State

0.135,

Mr. King—continued.

said was, "I will comply with the request of the uncovenanted servant to have his pension paid periodically, at a fixed date (on quarter day) in England, but I will do it at such a rate as shall not be burdensome to the taxpayer; I will take the official rate as an equitable rate for the remittance."

2111. You add that the manner of effecting this, without running the risk of imposing on the revenue a considerable charge, was by ruling that pensions should be paid at what is usually, though not formally, called the official rate of exchange. What do you mean in speaking of the "risk of imposing on the revenue a considerable charge"?—I mean that to pay the rate of 2s., when the Government could only draw it at 1s. 5 d., would be imposing on the revenue a charge of 7 d. in every rupee of these pensions.

2112. Has it ever been contended that if the rupee went to 2s. 6 d. the men could have claimed the benefit of the rise?—Certainly they could. The Government would have no objection to paying them then, because they would be drawing at 2s. 6 d.

2113. But they could only exercise that option once. For instance, supposing a man went out, contemplating the difference, and made arrangements to draw his pension in India, and then the exchange fell again, and he wished again to avoid the risk of dealing with agents, he could not exercise that wish, could he?—No; for the sake of drawing it at a high rate in India he would have forfeited the saving of the comparatively trifling charge for agency.

2114. Has not the Government carefully protected itself against any such contingency of having to pay above 2s.?—No; if the official rate fixed next December should be 2s. 2 d., we should pay at that rate.

2115. In many covenants to which we have been referred it is expressly stated, "And it is agreed that in all payments to be made under these presents the pound sterling shall be considered equal to and calculated after the rate of 10 rupees;" we have heard that *ad nauseam*, as the Chairman has said more than once?—That applies to salaries; that does not apply to pensions.

2116. What I say is that the Government did carefully protect itself in some of the clauses of its agreements against such a contingency; did it not?—No, because the pensions are not paid in sterling.

2117. I am not speaking only of pensions, but generally?—I do not know what covenant you can refer me to in which the Government have protected themselves against any such contingency; I do not think they have.

2118. You say the Government had in view the avoiding of the risk of imposing a considerable charge on the revenue?—Yes.

2119. Is there anything in Sir Charles Wood's Despatch to justify that statement, or is it conceivable that that object was ever held in view?—It is in the passage I read, "while the charge to the Government would be very inconsiderable."

2120. I read you a passage just now from that old Despatch of the East India Company in 1814, which you say did not refer in any way to such a question as this of pension?—No.

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2121. But

24 July 1890.]

Mr. WATERFIELD, C.B.

[Continued.]

Mr. King—continued.

2121. But they appear to have thought, did they not, that if any attempt were made by relying on the current rate of exchange to reduce the obligation of the Government towards its servants, it might give rise to claims for compensation?—The India Board objected to make any alteration.

2122. On that ground?—Yes, on that ground.

2123. Now I see you state that the official rate had been instituted in 1824, for the settlement of transactions between the British and Indian Governments?—Yes.

2124. Can you explain to me why, if the official rate were instituted in 1824 for the settlement of transactions between the British and Indian Governments, it was never applied by the East India Company in the settlement of furlough and pensions, and of family remittances for military and civil officers before 1858?—It was applied to family remittances from 1834.

2125. Are you certain of that?—Yes; family remittances were first permitted to be paid in 1834, and they were paid at that rate from that time.

2126. At what rate?—The annual rate of adjustment for transactions between the British and Indian Governments.

2127. Do you mean at a rate of less than 2 s. to the rupee?—No; I have put in a table showing the particulars.

2128. In certain years was the rate less?—In certain years, yes.

Chairman.

2129. And sometimes more?—And sometimes more.

Mr. King.

2130. Was it ever paid at a rate of over 2 s.?—In several years, as you will find in that table. It was above it in 1839–40, in 1840–41, in 1854–55, in 1856–57, and in 1858–59.

2131. You say that on the average it was a favourable rate?—On the average it was rather favourable.

2132. It has hardly been so during the last few years, has it?—It has been so until the present year. It is impossible to say what the present year will turn out. No doubt, at present, the average is about $\frac{3}{4}$ d. above 1 s. 5 d. It is at 1 s. $5\frac{1}{4}$ d. or a trifle over that now; and the payment at 1 s. 5 d. may to some extent reduce that $2\frac{1}{2}$ per cent., which I said was the advantage on the average that the pensioners had received. If you will look at the table you will see that in 1876–77 we paid at 1 s. $9\frac{1}{4}$ d., and we only drew at 1 s. $8\frac{1}{4}$ d. We lost $1\frac{1}{4}$ d. there, and during part of that year the rupee was down to 1 s. $6\frac{1}{4}$ d.; so that we were paying then about $3\frac{1}{4}$ d. in the rupee above the rate at which we were drawing.

2133. With regard to this question of drawing pensions in India, it has been suggested here (in cross-examination, I think, by the Chairman) that men can draw pensions in India, or in England, at their own option, exercising it only once, but if they drew it in India, what would they get; they would be paid in rupees, would they not?—They would be paid in rupees.

2134. Is it contended officially that that makes any difference?—No, not at all.

2135. I mean any difference in the result to

Mr. King—continued.

the men as to what they got in England to live on?—Oh, no; it is merely that it is at their option to do what they like.

2136. The officer would draw in India in rupees, and it would have to be remitted to England at the current rate of exchange?—At the market rate in that case.

2137. But he would still lose the difference between the standard par rate of 2 s. and the fall in the rupee?—He would probably have to pay the expenses of agency; also he would lose in time, because he would probably receive it four or five weeks later.

2138. Of course. Have you ever read, I am sure you have read, but do you remember Sir Thomas Seecombe's evidence?—Yes; I think I know what you mean.

2139. I mean the evidence he gave when he was examined before the Committee of 1872?—Yes.

2140. Do you remember what answer he gave to Mr. Fawcett as to the reason why the pensions of uncovenanted servants are paid in England?—I do not, at this moment.

2141. If I read it to you perhaps you will recollect it?—If you please.

2142. He said, "It was felt by the Government to be desirable that persons resident in this country should be saved all the difficulties of exchange, and the dangers of remittance, and that it would be right to grant them those pensions here."—Yes.

2143. Was that the official view of the India Office at that time?—Yes.

2144. Among the dangers and difficulties of exchange, I suppose you do not think he included this fall in the rupee or the possibility of the fall in the rupee?—The "difficulties of exchange" in that passage means the difference between a rate fixed once for the year and a rate varying every week or every quarter. The officer who draws privately, remitting at the market rate, does not know what he is going to get. The officer who draws it through the India Office, although he has to accept a very considerable loss, yet knows exactly what it will be.

2145. We now come to grievance B, maximum limits of pensions. You state that in 1855 it was brought to the notice of the Court of Directors that some of the uncovenanted officers were beginning to draw larger salaries than had previously been the custom, and that their half-pay pensions would therefore exceed 500 l. Now, previously to that, in fact, only one year before, was there not a Despatch of the Court of Directors, No. 18, of 5th May 1854, which was added to the Rules of 1831, and which authorised the granting to any uncovenanted servants belonging to the class recognised by the present rules a half-salary pension?—Yes, after 35 years' service.

2146. Does not that answer Mr. Bennett's case?—No; because it is particularly said, "These pensions are to be regarded as the rewards of good service; they will not, in any case, be claimable as of right; and every pension which you may see sufficient reason to grant must be reported to us with a statement of the grounds of your proceeding." I say that that shows

24 July 1890.]

Mr. WATERFIELD, C.B.

[Continued.]

Mr. King—continued.

shows distinctly that the same rules (the Rules of 1831, which said they were to be given with reference to "the responsibility and arduousness of the employment, the degree of merit of the individual, and the nature and length of his service") were applied by the Court of Directors to superannuation as to other pensions.

2147. I assume we may take it for granted that in 1854 the Court of Directors must have been perfectly aware of the fact that there were men in the service whose half-pay pensions would exceed 500 l.?—Yes, they were beginning to exceed that amount.

2148. And yet in 1854 they deliberately authorised the extension to these gentlemen of the half-pay pension?—Under those conditions; Mr. Elliott's case arose within twelve months.

2149. We may assume, I suppose, that the Court of Directors knew what it was doing in extending this privilege to men who were drawing high salaries?—Certainly.

2150. Can you say what occurred between the 5th May 1854 and the 28th February 1855, to lead the Court of Directors to fix a limitation upon the maximum of the pensions as regarded the men thereafter appointed?—What occurred between those dates was, the receipt of the Government of India's letter of the 4th of September 1854, in which they brought to notice that the rules required some amendment, owing to the large salaries to which the uncovenanted officers were beginning to rise.

2151. May I ask you to produce and read to the Committee the letter of the Government of India to which the Despatch, No. 21, of the 28th February 1855, was an answer?—Shall I read the whole of it?

2152. If you please?—It is dated the 4th of September 1854, No. 67. "We beg to forward, for the favourable consideration of your honourable Court, the accompanying letter, No. 91, of the 4th ultimo, submitted to us by the President of the Committee for framing a code of regulations for the Department of Public Works, suggesting a revision of the rules regarding uncovenanted officers and subordinates of the Department, who are excluded, except in special cases, from the benefits of superannuation pensions, and strongly recommending that they be included in the list of those entitled to this privilege. (2.) In support of this recommendation it is urged by the Committee that the employment of the classes of uncovenanted servants (English and Native writers, Moonshies, and Mohurirs) who are entitled to pension, requires no great professional training, and involves no pecuniary responsibility or exposure to the injurious effects of climate; that Gomashtahs of the Commisariat Department are admitted to pension, whilst the native agents in the public works are not; that the first denomination of uncovenanted servants (uncovenanted servants in the Department of Public Works receiving salaries of upwards of 10 rupees per month; Executive Officers; Assistant Executive Officers; Sub-Assistant and Civil Engineers; Supervisors; Assistant Supervisors; Overseers; Assistant Overseers; Sub-Assistant Overseers; Native Agents) in the Department of Public Works consists of regularly-

0.135.

Mr. King—continued.

educated engineers holding responsible charges; that the second class also consists generally of educated engineers; and that as all require more or less professional training, and nearly all have pecuniary responsibilities with duties involving frequent exposure to the injurious effects of climate, they have higher claims to pensionary support than the classes above referred to. It is also urged by the committee that, though an increase of uncovenanted officers in the Department of Public Works is very much needed, it is difficult to retain their services in consequence of pensions not being allowed; and it is finally stated that they have great opportunities of making money dishonestly, and that strong temptation to do so is now placed in their way in consequence of moderate salaries, and the want of pensions, leaving them no other means of providing adequately for themselves, in case of bad health, or in old age. (3.) Concurring in these views we beg to recommend that the uncovenanted servants in the Department of Public Works be admitted to the benefit of the general pension rules. (4.) We also take this opportunity of observing that, on various points, the present pension rules of the 4th January 1831 appear to us to require amendment. Since the date of the passing of those rules the uncovenanted service has been greatly increased; new classes and new grades of appointments have been created; and whilst on this account the Rules of 1831 are inapplicable to many cases to which they might with propriety be extended, they, in other cases, and particularly in the cases of the more highly-paid appointments,* are supposed to confer greater advantages on incumbents than they have any good reason to expect. (5.) We would offer the subject for the attentive consideration of your honourable Court, and suggest that the Government of India be directed to make a general revision of the rules."

* Such as the appointments of—

	Rs.
Superintendent of Preventive Service, Customs, Calcutta	800
Sub-Deputy Opium Agents, Bengal	800, 900
Registrar, P. W. Island	1,493–5–4
Postmaster General, Bengal	1,500
Senior Magistrate of Calcutta Police	2,000
1st Judge, Court of Small Causes, Calcutta	1,500
2nd ditto - ditto - ditto	1,000
3rd ditto - ditto - ditto	1,000
2nd Principal Assistant to the Commissioner of Aracan	800
Junior Magistrate, Calcutta Police	800
Secretary to the Superintendent of Marine, Calcutta	1,000
Secretary to the Council of Education, Bengal	1,000

in which, if half the salary be granted at the expiration of 30 years, according to established usage, the incumbents will get pensions of from 480 l. to 1,200 l. per annum; the pension allotted to covenanted civil servants, free of payment, being only 500 l. a year after 25 years' service.

2153. Now, while on this point, I may ask you to explain whether it was not distinctly contemplated by the Court of Directors, when writing the Despatch of the 5th May 1854, that there were Europeans already in the service, either under covenant or otherwise, who under the directions then given might, or would, become entitled under the rule then made to a larger pension than 500 l.?—I will tell you what the point was, as I understand it.

2154. I will ask you this: do you go so far as to say that the Court of Directors held while publishing these rules, and holding them out to men as inducements to enter the service, that a pension was only a matter of grace, and that the maximum pension was only to be granted in cases of extraordinary merit?—I say that

S

24 July 1890.]

Mr. WATERFIELD, C.B.

[Continued.]

Mr. King—continued.

that the pension was to be granted under the Rules of 1831, on a consideration of the officer's services.

2155. But only as a matter of grace?—The amount was a matter of grace. They had the right to some pension, but the amount of it was a matter of grace, or rather a matter of discretion.

2156. I thought you said they could claim no pension?—Oh, no, I do not say that at all.

2157. As a matter of fact, does it not appear from the returns that at that time very few European officers could have served sufficiently long to have earned the benefits of retirement under the Rules of 1831?—That is precisely my point. From the Despatch I read, it would appear that there were about a dozen officers, the incumbents of which might come on the pension list, and the object of the Despatch was to provide for what should be done in such cases in future.

2158. I see that in the Despatch, 205 of 1862, paragraph 23, Sir Charles Wood laid down, "I must observe that under the existing pension rules an uncovenanted servant is not entitled to claim a pension of the full amount, which is only authorised as the reward of approved service; and when the rules were framed it could not have been contemplated that a larger pension than 500 £. per annum could ever be granted." Does not that by implication concede the principle that at all events as regarded the Company it contemplated, at least, a pension of 500 £.?—I do not think it implies anything more than that 500 £. was the maximum. I do not think it implies that they contemplated "at least 500 £."

2159. The Secretary of State in 1862 practically admitted that at least 500 £. maximum was fairly claimable as the reward of good service, did he not?—Might fairly be granted. You say "fairly claimable;" but I say "might fairly be granted."

2160. Are these his words?—I think you said that it was "fairly claimable." The eighth clause of his Despatch says, "The period of service which is to be admitted in considering a claim to pension must be continuous." That shows that a claim to pension was recognised by the rules, no doubt; but it goes on to say, "pensions of the full amount stated are to be granted only as the reward of approved service." The point was, that the rules laid down certain limits; originally the limit was half-pay; when it was found that those words might convey a much larger pension than had been intended, the limit of 500 £. (as it was expressed in those days) was put in for officers who might hereafter hold the high appointments.

2161. As I understand it, the Secretary of State meant, on the contrary, to say that a man could not claim the full pension of half salary under the Rules of 1831 (I am speaking of the Rules of 1831), though he might be entitled to claim the full pension of 500 £. under the Rules of 1855. Is the statement that an officer under the existing pension rules was not entitled to claim a pension of the full amount an accurate one?—I think it means that the Government were at liberty to grant it, if they held that the nature of the service, and the way in which the

Mr. King—continued.

service had been rendered, would justify that amount; the Government was at liberty to grant that amount if it thought fit.

2162. I will call your attention again to the Resolution of 19th May, published on receipt of that Despatch of the Court of Directors, No. 21, of the 28th February 1855; there it is stated that the honourable President in Council is pleased to resolve, in accordance with the orders in the Despatch above mentioned, that such of the uncovenanted servants, employed in the Public Works Department, as receive above 10 rupees per month of salary shall be entitled to superannuation pensions under the Pension Rules for January 1831. Now I call your attention to that Despatch of 28th February 1855, from the Court of Directors to the Government of India: "You have also brought to our notice that the Pension Rules of 1831 appear to require some amendment, especially in regard to cases of highly-paid appointments of from 1,000 £. to 2,400 £. per annum, the occupants of which appointments if invalided after 30 years' service are entitled under the present rules to receive a pension varying from 500 £. to 1,200 £. per annum, whereas the covenanted servant after 25 years' service receives a pension from the Government of only 500 £. per annum in any case." Without pursuing that, what I wish to ask you really is this: was not the meaning of the Court of Directors that in every case of a faithful and efficient discharge of duty they held out to the uncovenanted officer the prospect of a maximum pension?—No.

2163. While on this point may I ask, are not the servants of the India Office paid by the Indian Government?—Yes.

2164. And they are uncovenanted servants?—They are; in the sense that they have not covenants, it is true.

2165. Have you not provisions of maximum pensions in the India Office?—Yes; we have the Superannuation Rules.

2166. Did you ever know a case in the India Office in which even an ordinary discharge of duty, in such a manner as not to call down rebuke or punishment from the Secretary of State, was not rewarded by the grant of the maximum pension?—No; the rule is the general rule of the English Civil Service.

2167. Is there any just reason why a difference should be made between the uncovenanted servants at the India Office and the uncovenanted service in India in this respect?—I do not understand that any difference is made.

2168. Yes, there is a difference; you say they have no right to a maximum pension in the case of the uncovenanted service of India?—Maximum in the sense of beyond the limits which were laid down in the spirit of the Rules of 1831. The Despatches laying down the limits only profess to have interpreted the spirit of the Rules of 1831; they do not profess to have gone away from what was intended by the Rules of 1831 at all, as I understand them.

2169. It has been stated in one of the Despatches which has been quoted that, as regards the amount of pension to be given, the rules merely fix a limit which is not to be exceeded; and although it has, with rare exceptions, been the

24 July 1890.]

Mr. WATERFIELD, C.B.

[Continued.]

Mr. King—continued.

the practice to allow the highest pension of which the rules admit, this practice cannot be admitted to confer on the uncovenanted service any rights to claim that maximum in all cases without any regard whatever to the original design and scope of the rules. It has been thought rather to extend the practice to allow the highest pension?—Yes, I think there is no doubt it was so, just as it is under the English Superannuation Act.

2170. That does not seem quite consistent with your statement, that the Company in instituting this maximum did not wish the men to consider that the highest pensions were generally obtainable for good service?—The highest pension in the ratio of half pay was obtainable as the reward of good service; but the court of directors finding that those words would give extravagant pensions laid down those limits.

2171. There is a Despatch of Lord Dalhousie's Government (No. 87 of 1854), in which he says: "If half the salary be granted at the expiration of 30 years according to established usage, the incumbents will get pensions of from 480 £. to 1,200 £. per annum?"—Yes, that is the one I read just now.

2172. Do those words, "the established usage" not affect your judgment at all?—They do not affect my judgment, because I do not contend for a moment that the established usage was not to give the half-pay. I believe it was fully so; but when it was found that those words might, from the fact that certain officers were drawing very large salaries, enable them at half-pay to receive much larger pensions than the spirit of the rules intended, the limits were laid down for the future, and it still remained that to the officers who were then in the service were to be considered under the Rules of 1831 with reference to the nature of their employment and the merits of the individual.

2173. I understood the manner in which they evaded giving the half-pay, was that they were not bound to give the maximum pension, that there was an established usage or custom, but no claim?—There have been many instances of officers then in the service being granted more than the 5,000 rupees, a great many.

2174. But not more than half-pay?—No, not more than half-pay. The grant of pensions beyond the limit of 5,000 rupees was supposed to be within the spirit of the rules. There are many such cases, and in each case the recommendation of the Government of India has been considered specially. In the case of the officers who have not received pensions beyond that limit, there are no such recommendations.

2175. I understand you to state that for ordinary good service an officer is entitled to the maximum pension?—Not "entitled"; by established usage he may for ordinary good service receive the half-pay, provided that that is not in excess of the spirit of the Rules of 1831. If it is in excess of that, the pension is adjudged upon the merits of the particular case.

2176. I notice by the way that in the memorandum drawn up by you and circulated among the Committee, you state that under the rules of 1831 the rates of pension were to be on a graduated scale.

Mr. King—continued.

ated scale within the maximum limits with reference to the responsibility and arduousness of the employment, the degree of merit of the individual, and the nature and length of his service?—Yes.

2177. Were those conditions ever published?—Certainly.

2178. Can you refer me to any despatch or pension code which has been published which states those conditions?—They are in all the codes I believe.

2179. Those words?—Yes.

2180. You state that in the year 1846 the Government of India proposed that the Educational Department should be allowed the benefit of these pension rules, that is, the rules of 1831, but that the Court of Directors declined on financial reasons; on financial grounds rather?—Yes.

2181. Is it not stated in their financial letter to India, No. 23 of the 20th July 1853, that it appeared from returns published by the Government of India that the proper charge to the State for pensions would amount to about 20,000 rupees per annum, on the strength of the education establishment existing at that time?—Yes, on the establishments existing in 1847.

2182. Is it not clear from that statement that the Government of India based its calculation on the principle that most of the men, if not all, would retire on the maximum?—Yes; but not I think on a large salary. I think they were all on the small salary of that day. Those 559 men to whom you refer were mostly the masters of the native schools. They were not as a rule the graded officers of the present educational service. There might have been a few among them.

2183. I observe also in the statement which you have circulated among the members of the Committee, that in 1853 a number of uncovenanted servants in Bengal applied for the institution of a pension fund to which they might subscribe 4 per cent. on their salaries?—Yes.

2184. May I assume that in fact the proposition was to assimilate the uncovenanted and the covenanted in the matter of their pensions?—To a great extent. It was similar in its nature.

2185. They have always been refused to be allowed to contribute anything towards pension, have they not?—Yes, it was found that it might impose a heavy charge upon the revenues. Before the rules of 1831 were passed, there was the very great discussion to which Mr. Jones referred (Mr. Holt Mackenzie's Committee), in which it was considered whether a fund could be established; and it was found impracticable as not being adapted to the natives.

2186. I ask the question because you have pointed out in your evidence that the covenanted civilian was entitled to better treatment because he contributed 4 per cent.?—Yes.

2187. If the other uncovenanted servants applied and were refused it seems hardly relevant?—That is my point; that they were on so totally different a footing that you could not compare them.

2188. You state that in 1862 the question was raised whether officers not already in receipt of

10,000

s 2

24 July 1890.]

Mr. WATERFIELD, C.B.

[Continued.]

Mr. King—continued.

10,000 rupees a year should be allowed by promotion to get pensions in excess of 500*l*. And you state that all the authorities were agreed that this ought not to be, but they differed as to the manner of effecting the object?—Yes.

2189. Between the Despatches of 1858 and 1864, the Government of India had been transferred from the East India Company to the Crown. I assume it may be taken that the withdrawal of 1862 was indicative of a change in the policy of the home authorities with regard to the East India Service and its uncovenanted servants?—I do not think so. I do not think there was any change of policy then.

2190. You say that all the authorities were agreed that this ought not to be?—They were all agreed that the Rules of 1831 were not intended to give the excessive pensions, and that it should not be allowed.

2191. In other words, you mean that all the authorities were agreed that it was advisable to take some means of repudiating the obligations which had been entered into by the East India Company?—No, I certainly do not. It was not a question of repudiating any obligations under which they had already come, but it was a question of dealing with those who might, by promotion, acquire claims afterwards.

2192. Still, in point of fact, have not the Government of India and the Secretary of State recognised an equitable claim on the part of all officers who had entered the service before 1858 if not before 1864 to have the benefit of the Rules under which they had entered the service?—Yes, always with that proviso which I have put in, that they judged each case on its merits.

2193. The Secretary of State in the Despatch 205 of 1862 denied, I believe, that uncovenanted officers appointed under the Company had any other claim than that to some pensionary support?—Yes, to such as might be considered just.

2194. Those are the words; I quote them. Can you show me in any despatches of the East India Company any basis for that statement?—I am afraid I should weary you if I were to try and pick out from my notes the number of cases in which the East India Company maintained their absolute right to decide what should be given in all cases.

2195. I will take it generally that you could do so?—Yes; there are plenty of cases in which they held that it was more of a charitable nature to consider what should be done.

2196. Of a "charitable nature" you say?—To a great extent, of a charitable nature; they were to consider chiefly whether the officer had absolutely broken down.

2197. In the same despatch did not Sir Charles Wood place a still further limitation upon the granting of pensions under the Rules of 1831 and 1855; did he not make them contingent upon extraordinary merit?—Those words undoubtedly seem to do so, but I do not think that it has ever been applied in any other sense than as meaning something beyond ordinary merit.

2198. Did the East India Company ever raise the question of extraordinary merit under its rules: if so, can you refer me to any despatch in

Mr. King—continued.

which that was done?—No; the interpretation put upon that is, that long service in quite an ordinary office did not entitle to more than 5,000 rupees, but that if the service had been of a higher character it should be specially considered.

2199. You are no doubt aware of the edition of the pension and leave rules which was published during the period of the East India Company in 1856, in the Bengal Directory and Annual Register?—Yes.

2200. I believe it has been quoted in letters addressed from the India Office to memorialists as though it were an official document?—Yes.

2201. Was it an official document?—The rules in the Directory were a copy of the rules as originally published, with notes explaining the subsequent amendments.

2202. In that document may I call your attention to a paragraph, the marginal note of which is "Extraordinary service rendered." It is there stated that the Honourable the Court of Directors, in paragraph 46 of their despatch to the Financial Department, dated the 20th June 1849, remark: "The sole ground on which a justification of the relaxation of rules so liberal in their provisions as are the superannuation rules for the uncovenanted service, can fairly be based, are either extraordinary service performed, injuries sustained in the discharge of public duty, or a sudden termination of official service resulting from a visitation, such as blindness, which wholly incapacitates from every kind of employment." I think I am reading it correctly?—Yes.

2203. Is not the meaning of that paragraph that the Court of Directors contemplated extra rewards for extraordinary service; and is it not implied in that statement that the ordinary maxima were allotted to retiring pensioners who could give proof of an ordinary efficient discharge of their duties?—I do not think it had any reference to the amount of pension. I think that only meant whether a pension should be granted before 15 or 25 years' service, as the case might be.

2204. Is it not the case that when pensions are offered to civil servants in England for certain services to be rendered, it is usual in case the service has been ordinarily efficient to give the full amount of the pension; you have already stated that it is, I think?—Yes.

2205. The Secretary of State in his despatch of 1862, says that the East India Company could not have contemplated pensions above 500*l*.?—Yes.

2206. Can you reconcile that statement with the statement contained in the Despatch of the 28th February 1855, from the Court of Directors, that there were men at that time holding highly paid appointments of from 1,000*l*. to 2,400*l*. per annum, who were entitled to half pensions varying from 500*l*. to 1,200*l*. per annum?—You will observe that it says that when the rules were framed it could not have been contemplated. That was 24 years before the Despatch you are referring to of 1855.

2207. You say that the East India Company in 1831 could not have contemplated it, but that they

24 July 1890.]

Mr. WATERFIELD, C.B.

[Continued.]

Mr. King—continued.

they might have been contemplating it in 1855?—Yes; only then they took pains to prevent the very large pensions being granted in future.

2208. Will you inform the Committee if you know of a single case in which an officer was not guilty of misconduct and was yet refused the maximum rupee pension?—Do you mean a maximum above 5,000 rupees?

2209. No?—No, I am not aware of any case within the limits.

2210. If rupee pensions were never refused on this ground, can you inform the Committee why, when the pension promised is stated in pounds sterling, it should not be so paid?—On the ground that the denomination of pound was intended to mean 10 rupees, and not a pound sterling. It could not have any other meaning when you contemplate the fact that the pension was to be drawn in India.

2211. In the same despatch, that is the Despatch of 1855, dated 28th February, the three last lines of paragraph four state, "Whereas the last lines of paragraph four state, 'Whereas the covenanted servant, after 25 years' service, receives a pension from the Government of only 500*l*. per annum?'—Yes.

2212. Was that also intended to mean 5,000 rupees?—No, the covenanted servant had his pension under totally different rules. By virtue of the agreement under which he subscribed a percentage on his salary, throughout the service, and took the risk of losing the whole of that by his death, even the day before he would be entitled to his pension, he was allowed a certain pension which was fixed in sterling.

2213. Fixed in sterling?—The covenant annuities; they were not pensions, they were annuities. They were granted at so much sterling, or rupees, according to whether the officers wished to draw them in India or in England.

2214. What I fail to understand is why, if the Court of Directors meant the pensions to be paid in India in rupees, they should have quoted them in sterling?—I cannot admit your inference. No doubt, if the Court of Directors had looked forward to the fall of the rupee, they would have expressed the pension in rupees in exactly the same way as they did in the case of the salaries.

2215. In fact, we may take it that, up to 1871, neither party contemplated the fall in the exchange which has taken place?—Certainly.

2216. And that, if the 500*l*. were paid, it would be no more than the people at that time contemplated?—That I have no doubt is correct. It is what was contemplated.

2217. Now to turn to the question of "length of service required for pensions." The only remark you make upon this is that it is the application of the general rule for a local service. Is it the view of the India Office that although Europeans are drafted into the service to occupy posts for which natives are not fitted they are nevertheless to be treated as natives?—That is the policy; it appears in the despatches which I read to the Committee.

2218. On what grounds do you call this a "local service"?—The appointments are made in India by the local governments, not made through the Secretary of State.

0.135.

Mr. King—continued.

2219. Including police appointments?—Certainly; appointments of which the local government has reserved the patronage to itself.

2220. They would have come, under the definition, given by the Duke of Argyll in his despatch, as posts to which natives are not fitted for the higher appointments?—If the Government of India think the posts are not such as can properly be filled by natives and wish to secure for the incumbents the benefits of the better leave rules, they have only to ask the Secretary of State to make the appointments or to recognise their appointment, but when they do not do so these officers are local, and do not obtain the benefit of the better furlough rules.

2221. There may be men in the same service, doing the same work, holding identical appointments, some appointed by the Secretary of State and some appointed by the local governments. How do you divide them?—According to whether they receive their appointment from the Secretary of State or from the local governments.

2222. What do you call the "Secretary of State's men"; a non-local service?—Yes, the term used by the Public Service Commission is "Imperial."

2223. That is not carried out now, is it?—That is not carried out yet.

2224. As you have alluded to that Public Service Commission, may I ask you whether the greater portion of the gentlemen who have appeared before this Committee would not be relegated to the Imperial Service as recommended by that Commission?—I cannot tell.

2225. The Commission recommend it, did they not?—The Commission recommend it. Whether the Government of India would adopt the recommendation or not I cannot tell.

2226. I do not ask you what the Government of India would "adopt," but what the Commission recommended?—If I understand the recommendation of that Commission, many would have been appointed to the local service and remained there for ever.

2227. They call it Imperial and provincial, do they not?—Yes.

2228. And those who were to go into the provincial service were to have the native rules?—Yes.

2229. There is a somewhat arbitrary division there, because you divide the service; you divide members in the same department of the uncovenanted service; some are local and some are non-local?—Yes; I tried to explain how that arose, by the Orders of 1872 and 1876, in which the Secretary of State conceded to the officers who at that time had acquired a certain position rights which they had not before, but declined to concede it to any who should thereafter rise to the position.

2230. Has not the Government of India repeatedly represented to the Secretary of State that a service of 30 years in the Indian climate is too great a strain upon a European?—Yes.

2231. Can you explain on what ground a distinction should be drawn between Europeans drafted into the service by the Secretary of State and those who are drafted into the service on the spot by the Government of India? I mean are they differently treated; are they equally liable

s 3

24 July 1890.]

Mr. WATERFIELD, C.B.

[Continued.]

Mr. King—continued.

to disease?—It is a question of patronage as I understand it.

2232. You have stated that it was on account of keeping them from enjoying high appointments, those appointed in India to the local service; but as a matter of fact some of those men have received the very highest appointments in spite of that, have they not?—Yes, they have; some of the witnesses you have had before you are men who have risen; men who got their appointment by local patronage, instead of going through the competitive examination.

2233. Has not the Government of India repeatedly protested against making a distinction between these two classes of officers?—Yes; the Government of India does not like to have its nominees treated as inferior to the others.

2234. In fact there might be said to be a good deal of jealousy on the part of the one government in relation to the other, might there not?—Yes. It is not only the Secretary of State. Parliament has repeatedly expressed a strong wish not to allow local nominations to be made in India to high appointments.

2235. The Secretary of State would like to keep it as far as possible in his own hands?—Yes.

2236. The Secretary of State wishes to keep the patronage as far as possible on this side?—No, not the patronage.

Chairman.

2237. Is there any patronage in the hands of the Secretary of State?—The educational appointments are not made by examination, but they are made by selection from those who have already passed high examinations; otherwise I believe the appointments are all made after competitive examinations, in the case of the men sent out by the Secretary of State.

Mr. King.

2238. As I understood your answer, you said Parliament desired to keep it under control; Parliament is never consulted in any of these appointments, is it?—No, not to keep it under control; you misunderstood me. I said Parliament has expressed repeatedly a strong wish not to allow the local nominations to be made in India to high appointments.

2239. But as a matter of fact the necessities of the situation I presume have driven the local governments to make those appointments?—I think it is only that they did not choose to have the patronage taken from them. The police authorities are officers of very high standing, many of them; and might equally be appointed by competitive examination here.

2240. How are they appointed now?—I do not know whether it is ever by nomination alone, or whether in all cases there is an examination.

2241. They are nominated in India I may take it?—They are nominated in India. To what extent they are subjected to examination I am not quite sure.

2242. And then examined I think; we had that stated in evidence?—Yes, as a general rule, at any rate.

2243. Will you refer to a despatch to the Secretary of State from the Government of India,

Mr. King—continued.

No. 227 of the 4th October 1870, and read it to the Committee?—I have not the despatch at hand at this moment.

2244. I will come back to that again. Now as regards the age for commencement of service for pension, you state that under the Rules of 1856 of the East India Company the Court laid it down that no clerk or writer should be appointed before 16, and that all service should count for pension?—Yes.

2245. Is not that still the rule with regard to all covenanted servants, to military officers, and to men appointed by the Secretary of State to the Public Works, Telegraph and other departments?—They count their service from the date of appointment, although it may be under the age of 22.

2246. Can you state on what grounds a distinction is made between these classes and other Europeans in the service of the Government of India who are occupying posts for which natives are not fitted?—The rule was not laid down for Europeans. It was a rule for the local service and chiefly for natives. It was stated to be laid down, because the service must ordinarily be officered by natives, and it was necessary to make the rules applicable to them.

2247. You state that, in 1861, uncovenanted servants being desirous of having a superannuation pension granted after less than 25 years' service, asked for the option of retiring after 25 years' actual service, reckoned from the age of 21, and excluding two periods of absence from duty, except privilege and casual leave?—Yes.

2248. Can you produce to the Committee the actual terms of that request?—The memorial is a very long one. Perhaps it will be sufficient if I read the 10th clause?

2249. Yes?—"The specific benefits which your memorialists pray for, are,—I. That the bar, which at present excludes uncovenanted servants, whatever their merits or special qualifications, from holding offices heretofore reserved for covenanted officers, be removed; and that it be left to the discretion of the Supreme and Local Governments to promote meritorious uncovenanted servants to such offices, under such regulations as may be deemed necessary. II. That on the production of a medical certificate of incapacity for further service, a pension equal to one-third and one-half of the average salary or authorised official emoluments, for the last five years, be granted to all uncovenanted servants after 15 and 22 years' actual service respectively, such service being reckoned from the age of 21 years, and excluding all periods of absence from duty, except casual and privilege leave. III. That all uncovenanted servants be allowed the option of retiring, without production of a medical certificate, on half of the average salary, or authorised official emoluments drawn by them for the last five years, after 25 years' actual service, reckoned from the age of 21 years, and excluding all periods of absence from duty, except privilege and casual leave. IV. That sick leave during the entire period of service be limited to three years as at present, but to be taken continuously, or by instalments, as may be desired. If leave be

24 July 1890.]

Mr. WATERFIELD, C.B.

[Continued.]

Mr. King—continued.

be obtained for more than one year continuously, the absentee to be subjected for the first 12 months to a deduction of one-half of his salary, and during the remaining period of absence, to a deduction of two-thirds salary, provided that in no case shall a larger sum than 600 £ per annum be drawn. V. That uncovenanted servants, after 10 years' service, be allowed furlough for one year on one-third salary and without loss of appointment; that a second furlough of one year be allowed on the same terms after an interval of five years from date of return from previous furlough; and that furlough for two years continuously be allowed after 15 years' service, on one-third pay. VI. That uncovenanted servants proceeding to any part of the United Kingdom, as pensioners, on sick leave, or on private affairs, be allowed to draw their pensions or absentee pay at the India House, in like manner as members of the other Indian services."

2250. Will you explain why Sir Charles Wood in his Despatch No. 255, of the 8th of November 1865, stated that the limit of 22 years was fixed "in order to render the rule justly applicable to both," that is, to Natives and Europeans?—I understand that the object was to prevent the Natives coming on the pension list too early; they were habitually appointed at the age of 16 or 17; and he considered it necessary, as Europeans would not ordinarily be appointed at so early an age, to lay down a rule which should be fairly applicable to both, and he took 22 as being the time when a European officer would in ordinary course become efficient for the public service. I am only able to give that as an interpretation of my own.

2251. There was, I believe, a reduction in the number of years required for service for pension under this rule?—To which date do you refer?

2252. When the uncovenanted servants petitioned in 1861?—Yes.

2253. Under the old rules of the East India Company for a pension not exceeding one-third of the salary, the service was 20 years?—Yes.

2254. Under the new rules of 1863-64 the service was reduced to 15 years?—Yes.

2255. But instead of one-third, the pension was limited to 3,000 rupees per annum?—Yes.

2256. Under the old rules, the service for one-half the salary pension was 30 years?—Yes, the service for pension.

2257. Under the new rules it became 25 years?—Yes.

2258. But it was limited to 5,000 rupees per annum when men retired under medical certificate?—Yes.

2259. Under the new rules of the Court of Directors of 1854 an officer might be retired on one-half pension at the end of 35 years?—Yes.

2260. Under the new rules the service was reduced to 30 years for a pension of 5,000 rupees?—Yes.

2261. I have got all that correctly, have I not?—Yes.

2262. Will you point out to the Committee wherein the new rules were, as was contended in 0.135.

Mr. King—continued.

the Despatch of the Secretary of State, No. 1, of 18th January 1865, more favourable than the old rules?—In what respect they were more favourable?

2263. Yes?—Is that reference to leave or pension rules? I think that refers to the leave rules.

2264. Yes, to leave, generally?—Under the leave rules of 1856, an uncovenanted officer could not (without medical certificate) have more than six months' leave at a time, unless there were special circumstances; and he had to serve six years more for a second six months' leave; and half-pay would only be issuable on his return to duty. Under the Rules of 1863, he could as an alternative have a year's furlough after ten years, and a second year after 18 years' service, with half-pay. He was allowed to retain the former privilege if he preferred it, but he might have the furlough instead. In case of leave on medical certificate, the Rules of 1856 give a maximum of half salary during first year, and of one-third salary during second or third years. The Rules of 1863 gave half salary during the first 15 months in each period, and quarter salary during the remainder of each period (within a maximum of 300 £). Therefore an officer who wished to retain the privileges of the old pension rules, taking leave after the new furlough rules were in force, could have taken six months' leave on private affairs after 10 years' service, and a second six months after 18 years' service; and he could have taken one year on medical certificate with half-pay twice; in neither case would he have had advantages in excess of those of the Rules of 1856. But if he took more than six months on private affairs at one time, or more than 12 months with half-pay on medical certificate at one time, he had advantages in excess of those under the Rules of 1856, and thereby forfeited his claim under the Pension Rules of 1831.

2265. You allude to the case of Mr. Ferrand, which was decided by the Despatch No. 1, of the 18th January 1865?—Yes.

2266. You state that in reply to a Report from the Madras Government, the Secretary of State decided that the new leave and pension rules must be taken as a whole?—Yes.

2267. But that any officer appointed before they were promulgated, might have the benefit of the old rules if he preferred them?—Yes.

2268. In the Rules published on the 8th June 1863, was there any proviso laid down that officers who availed themselves of the leave Rules of 1863 could claim no advantages under the previous leave or pension rules?—It was not published at that time. It was published later on.

2269. What date was it published?—In March 1865. It was in consequence of Mr. Ferrand's memorial. The Secretary of State said, in at least three Despatches (there were two Despatches on cases of Civil Engineers), that officers might have the option of old or new rules; but that if they took the benefits of the new furlough rules they must not have the benefit of the old pension rules. Then the Government of India said that

24 July 1890.]

MR. WATERFIELD, C.B.

[Continued.]

Mr. King—continued.

that the furlough rules were issued once for all, and that it had never been their intention to allow a man to pick and choose his furlough rules; they asked for instructions; and the Secretary of State approved their view, and they published it in a Notification of the 3rd January 1868, in which it was explained in this way: "New Rules for leave of absence and pensions for uncovenanted servants, generally, were promulgated on 8th June 1863. An uncovenanted servant appointed before that date, and whom the Government may consider to be entitled to favourable consideration, is allowed by Financial Notification No. 1349, dated 29th March 1865, to count service towards pension under the old rules, whenever, in respect of such reckoning, they may be more beneficial than the new, provided he shall not, at any time, have availed himself of the benefits conferred by the new leave rules. This proviso does not give any uncovenanted servant, appointed before 8th June 1863, the option of the old leave rules. Whatever leave he requires must be given under the new rules; but if he desires to retain the benefit conceded in Financial Notification, dated 29th March 1865" (that is an option), "he must abstain from availing himself of so much of the advantages of the leave that he may take under the new rules as may be in excess of what he could have had under the old rules. For example, an officer who could have taken 15 months under the new rule, must not avail himself of more than 12; if he took 15 he was taking the benefit of the new rules. He might have the 12 months under the old rules, as before."

2270. Is there anything in that Despatch (205 of 1862) which justifies, or which would have led to the conclusion that if an officer accepted the advantages of the new leave rules he would thereby be forfeiting whatever advantages would have accrued to him under the old pension rules?—The Despatch did not enter into the subject at all.

2271. Have not the leave and pension rules been always kept distinct, both under the Company and under the Government of India?—The rules were published in 1863, and in 1865 it was explained that they went together so far as regarded officers availing themselves of the new or the old privileges.

2272. Was there any notification ever given to officers that by taking the new leave rules that they would thereby be forfeiting their advantages under the old pension rules?—It was in that Notification of 1865. I believe it merely published the despatch on Mr. Ferrand's case, and the despatch which forwarded a copy of it to the Government of India. The latter is very short: "You will observe that, in certain cases, where the application of the new rules would render it necessary for an officer, in order to obtain his pension, to serve for a longer period than was required by the old rules. Her Majesty's Government authorise the grant of a pension under the old rules, provided that he has not at any time availed himself of the benefits conferred by the new leave regulations." That was dated the 18th January 1865, and it was published on its arrival.

Mr. King—continued.

2273. Have not frequent memorials been presented to the India Office, in which officers complain that at the end of their service they found themselves precluded from claiming the advantages of the old pension rules on the ground that they had taken advantage of the Leave Rules of 1864?—I do not know whether there have been frequent memorials to the India Office. I am not sure. I will not answer that question positively.

2274. Can you say whether, when an officer applies for leave, any intimation is given to him as to the effect which his taking leave under certain rules may have upon his future prospects for pension?—No, certainly not, I should think. I am not aware of any.

2275. But, in point of fact, did not the Government of India refuse to give the officers appointed before 1863 the right to go on leave under the old Leave Rules of 1856?—Yes; as I have just been explaining, the old leave rules were stopped for ever. Warning was given in that Notification of 1865 that, if they took the benefit under the Rules of 1862 in excess of those of 1856, they would lose the benefit of the old pension rules.

2276. Were not such officers, in fact, told that they had no option, that they must go under the Leave Rules of 1863, and subsequently was not the fact that they had gone under the Leave Rules of 1863 cited against them as conclusive against their claim to have pension under the Rules of 1831, or to a sterling pension under the Rules of 1856?—Yes; and it was shown to them that they need not exercise the full privileges of 1863; it was only if they enjoyed privileges in excess of those given in 1856 that they were affected.

2277. What I asked you was whether they were not refused the right to go on leave under the old leave rules?—Yes; but they were not bound to take the full amount which the new rules permitted, as I illustrated to you by the case of a man having 15 months' leave. He might take only 12 months.

2278. That was never explained to them, was it?—I have no reason to think it was ever explained. I can find only the Notification of the 3rd January 1868 upon the subject.

2279. Was not the fact that they had gone under the Leave Rules of 1863 cited against them as conclusive against their claim to have pension under the Rules of 1831?—No, I do not think that is quite a justifiable inference. If they had taken the greater benefits under the Rules of 1863, it would be so. I have no reason to think that any of the officers guarded themselves, or did not avail themselves of the new privileges.

2280. The officer could not possibly have known of his own knowledge that he had to guard himself by taking these precautions against future action on the part of the India Office, could he?—I have nothing to say on that point, except to state the fact that public notification was given of it. I daresay the officers did not know it.

2281. You could give an instance to the Committee, could you not, of some one who has suffered in consequence, or who has been refused on the ground

24 July 1890.]

MR. WATERFIELD, C.B.

[Continued.]

Mr. King—continued.

ground that he had gone under the leave-rules of 1863, some one who had acted indiscreetly?—Yes, I have no doubt there are many; but as a rule the uncovenanted officers do not apply to the India Office except by way of appeal; so that we do not hear, in the first case, of the application when made in India. I think it must have happened in a good many cases. I should think so.

2282. These alterations in the rules are rather confusing to the ordinary mind, are they not?—Very.

2283. Are they not almost traps into which the unwary may fall?—Yes.

2284. While on this point I may ask you whether you do not think that a simplification of the Pension and Leave Codes would be an advantage?—That certainly would be a great comfort to the Office.

2285. I was going to ask you that very question. Is it not a serious cost to the Government to have to conduct the enormous mass of correspondence involved in the application of such a variety of rules to such a number of classes of officers, and would it not be a judicious economy to reduce the whole of these classes to one to reduce the whole of these classes to one common system of pension and leave?—I doubt whether it would enable us to put down clerks; I should doubt that; but it would prevent many difficulties from being raised.

2286. I am not threatening the establishment of the India Office. May I call your attention to the Parliamentary Paper of the 1st August 1872, the correspondence on educational questions, and to the memorial of the officers of the Educational Department on page 8, paragraph 8, in which the memorialists, who are the most distinguished officers in the Educational service of the Government of India, state that they are uncertain how far the new rules for leave apply to them, for that while the Despatch of the Secretary of State stated one thing, the resolution of the Government of India stated the exact opposite. Can you explain this?—Which paragraph?

2287. Page 8, paragraph 8?—I think that is the same point, the question of the taking of the new leave rules.

2288. I think it is. It is on the same point?—It is on the same point.

2289. But the Despatch of the Secretary of State states one thing, they state, and the Resolution of the Government of India states another?—Yes, the Despatch of the Secretary of State (and, as I say, there was more than one Despatch) said they should have the option of the old and new rules. The Government of India declined to allow officers to take leave under the old rules, but they said, you are not bound to avail yourself of the extra privileges of the new rules, and if you do not take leave in excess of your right under the old rules, your claim to pension will be maintained.

2290. And between the two these gentlemen come to the ground, do they not?—Yes, if they took the benefits of the new rules; I think it was extremely confusing. Perhaps I may just add that I believe the only difficulty was from the officers supposing that by taking leave they

0.135.

Mr. King—continued.

had forfeited their claim to the pension in excess of 5,000 rupees; and I do not think that they had any such claim to be forfeited.

2291. Now I come to the fifth grievance; furlough not counted for pension; grievance E?—You have heard the evidence that has been given before the Committee that 30 years' service is too long for Europeans?—Yes.

2292. Has the Government of India not made representations on this subject to the Secretary of State with reference to its officials appointed in India?—It has.

2293. Have you any evidence to offer against the contention that it would be advisable to reduce the length of service?—To count a certain amount of furlough as service for pension, so as to reduce the total?

2294. Yes?—I have nothing to say against it.

2295. All leave taken before the Rules of 1856 counted, did it not?—Yes, quite so; it was all service for pension.

2296. Before 1856 all leave taken counted as service for pension?—Yes, before the Rules of 1856 leave was only given in special cases. There were no rules. It was given when an officer could be spared, and provided no expense was caused by it. The heads of departments had the power to give the leave as they chose. There were no code rules in those days. In explanation of my note, I may say that the word "furlough" has there a specific meaning. Leave of absence was not called furlough in those days.

2297. Is it not a fact that under the Rules of 1831 as administered up to 1864, leave counted as service for pension as follows: two out of three years on medical certificate taken under the Rules of 1856?—Yes.

2298. Leave on private affairs on half-pay?—Yes, six months' leave, which might be taken twice.

2299. And privilege and subsidiary leave?—That always did.

2300. Was not the effect of these rules that three years' service at least reckoned towards pension?—If the officer had taken it under the rules.

2301. Can you give any reason why a certain amount of service should be allowed to count for pension in the case of civil engineers and others, and not in the case of other officers such as the forests, gentlemen in the Commissions and in the other departments?—It is the same question of their local appointment, I believe, that has ruled that.

2302. In fact, you wish to put somewhat of a death penalty upon people entering the local inferior service of the Government of India?—No, I am not prepared to say that.

2303. Has it not come repeatedly under your observation that officers have not been able to afford to take furlough on account of leave not counting towards pension; it must have done so, must it not?—I have no doubt it is so. I have heard several of the witnesses say that.

2304. And have not the evil effects of that rule frequently come under your observation at

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24 July 1890.]

Mr. WATERFIELD, C.B.

[Continued.]

Mr. King—continued.

the India Office?—No, I do not know that I can say that, because the witnesses who have been in the room have been very good specimens of those who are able to live there.

2305. They are the only ones who have survived possibly. Did not the furlough committee of the Government of India on the 9th September 1868, report that it was for the benefit of the public service that officers especially Europeans should be encouraged to take a moderate amount of leave?—Yes.

2306. And did they not state that the present rule is strongly prohibitive of their doing so?—Yes.

2307. Did they not suggest that of the periods qualifying for pension one-tenth should be spent on furlough?—Yes.

2308-9. And they stated, did they not, that the provision in the leave rules by which the allowances are reduced during furlough would prevent any abuse of these rules. You cannot answer that question, perhaps?—I have referred to the committee's report, and find that it is so.

2310. I am quoting from the report. Besides the instances which have been adduced in evidence before the committee of men, who, when engaged on public duty, have through exposure, or from wounds or other accidents been rendered unfit for service, and consequently have been ordered home on furlough, and have therefore been deprived of the period of their furlough as counting for service, have not very frequent cases come under your notice in which men who have sacrificed their health in their zeal for the public service have been refused by the Secretary of State the privilege of counting the time thus lost towards their pension?—I do not think there have been frequent cases of that.

2311. You know that there are frequent cases, do you not; perhaps, as one witness says, they have not applied to the Home Government, and so it would not come under your notice?—Yes; if they apply in India, and are refused under the rule, it would not come to our notice.

2312. Under this head comes a question of the rule for compulsory retirement at the age of 55?—Yes.

2313. Will you state in what year that rule was first mooted, in what year it was extended, and in what year it was finally put into force?—In September 1864 the Government of India proposed that the principle of the rule under which covenanted civil servants were required to retire on the completion of 35 years' service, should "be extended to military and naval officers in civil employment, and also to uncovenanted officers;" and, accordingly, a notification was issued, by desire of the Secretary of State, announcing that after the age of 55 no such officer should be appointed to a new office, or be permitted to retain one which he had held for five years. The rule was, however, to be subject to special exceptions under the authority of the Secretary of State. In 1871 the Government of India modified this rule by declaring that all uncovenanted servants should be required to retire at the age of 55, but that the Local Government might permit them to continue

Mr. King—continued.

longer in service, the previous sanction of the Government of India being required when it was proposed to retain an officer beyond 60 years of age. The Duke of Argyll thought it questionable whether such a rule should be applied to natives of India. The Government of India, however, pressed very strongly for its adoption; and the Secretary of State thereon waived his objection, saying, however, "I trust that the various governments and administrations will always be disposed to extend to this rule a very liberal interpretation, and that the State may in no case be deprived of the valuable experience of really efficient native officers, by the untimely exercise of the powers of compulsory retirement on pension." The Government of India has not limited this to natives; the orders quoted on page 120 of the Civil Service Regulations show that the intention is to be lenient with uncovenanted officers, of whatever age, if efficient. In 1877 the uncovenanted officers were, on their side, allowed to claim, at the age of 55, the superannuation pension which would have been admissible if they had been retiring with a medical certificate. In consequence of the block of promotion in the Public Works Department, the Government of India were in 1883 authorized to call on an officer to retire if he should not, at the age of 50, have attained the rank of superintending engineer, unless they wished to retain him on special grounds. In March 1885 the rule of retirement at the age of 55 was made general in the public works and telegraph departments.

2314. Will you state in what year the rule was first mooted?—It was first raised in 1864.

2315. In what year was it extended, in 1871?—In 1871.

2316. And was it finally put in force then?—It was put into force in 1871.

2317. Has not that rule operated harshly in the case of men who enter the service under rules which practically held out to them the prospect of putting in their full service for pension?—I think very likely that it has.

2318. You heard the case of Mr. William Smith?—Yes, Mr. William Smith has one of the largest pensions that has ever been given.

2319. I am very glad to hear it. In the case of Mr. William Smith, it was given in evidence before the Committee that he was a man who had secured under his covenant the right to put in his full service?—No, the point that Mr. Smith's covenant secured to him was the right to be paid a pension calculated on his average salary.

2320. You are quite correct, it was the salary; but that salary was based upon his service?—It was based upon the receipts of the last five years.

2321. But it was one-third (speaking from memory), after 20 years, was it not, and one-half after 25 years; or one-third after 25 years, and one-half after 30 years?—I think the covenant was one-third after 20 years, and one-half after 30 years.

2322. Something like that?—Something like that.

2323. His

24 July 1890.]

Mr. WATERFIELD, C.B.

[Continued.]

Mr. King—continued.

2323. His contention was that he was retired under the 55 years of age rule arbitrarily, that whereas his covenant gave him the assurance of permanent employment (that is the point), he was retired before he had qualified for the highest pension?—Yes, I understood his contention, but I do not think "retained in the service of the

company" meant that he should be entitled to go on as long as he pleased. I do not think he has more claim than any other officer. In the first place, he was subject to a notice that might be given for the termination of his service at the expiration of 12 calendar months.

O.135.

Friday, 25th July 1890.

MEMBERS PRESENT:

Mr. Barbour.
Mr. Bristowe.
Mr. Buchanan.
Sir John E. Gorst.

Mr. King.
Mr. MacNeill.
Mr. Alfred Pease.
Sir William Plowden.

THE RIGHT HONOURABLE SIR JOHN E. GORST, IN THE CHAIR.

Mr. HENRY WATERFIELD, C.B., again called in; and further Examined.

Mr. King.

2324. BEFORE I resume where we left off yesterday, there are one or two points I want to clear up by some questions; will you turn to page 38 of the Case that was put in?—Yes.

2325. You will notice there is a copy there of the Resolution of the 14th October 1871?—Yes.

2326. That Resolution states that "The remuneration of officers of the Government may be thus classified:—Immediate: their pay and allowance while on duty. Contingent: their absentee allowances. Deferred: their pensionary allowances?"—Yes.

2327. Do you consider that pension is deferred pay?—For the particular purpose of that resolution I should say it was an accurate classification. The object of that resolution was to ascertain, when an officer was lent to a Native state, or a local fund, how the contribution by that native state or local fund should be assessed, in order that the Government might be put to no expense in consequence of the loan of his services; and the Government held that it would not be sufficient for the Native State to contribute merely the proportion of his pay, but that it must also contribute a portion of his furlough allowances and his pension, and the total contribution to be made by the State was taken on a sort of rough actuarial calculation of what would cover those three charges: salary, furlough pay, and pension.

2328. But surely the same regulation refers to the Government's own payment of its servant?—No, I do not think so; because you must remember that the condition on which the Government employs an officer gives that officer no right to deferred pay as pension. Suppose he dies before he comes on to the pension list, his family get nothing. It is quite a different thing from the deferred pay paid by the State in the case of the soldier, for instance.

2329. It is something like a tentine policy, of course?—Yes.

2330. You would agree, at any rate, would you not, to the extent to which Mr. Justice Chitty went, when he said that "The system of pensions was a sort of deferred payment of wages." That was in his judgment in the case of the East and West India Dock Company and the St.

Mr. King—continued.
Katherine's Dock Company, in February 1889?—Yes, "a sort of deferred payment of wages." I do not object to that.

2331. That is a definition which appeared in several editions of the code, but was struck out in the last edition; can you tell the Committee why?—I was not aware of the fact that it had been struck out; but I suppose the reason is that it appeared in the appendix to the code merely as a guide to the officers of account to see what charge was to be made when an officer was lent for what is technically known as foreign service, and that it has now been omitted as having nothing to do with the grant of the pension.

2332. Will you look at page 39 of the Case which you have before you?—Yes.

2333. I direct your attention to the Despatch of Lord Dalhousie, in which it says that "though an increase of uncovenanted officers in the Department of Public Works is very much needed, it is difficult to retain their services, in consequence of pensions not being allowed;" that was in the year 1854, was it not?—Yes, that is so.

2334. "And it is finally stated that they have great opportunities of making money dishonestly, and that strong temptation to do so is now placed in their way, in consequence of moderate salaries and the want of pensions leaving them no other means of providing adequately for themselves in case of bad health or in old age." Can you say whether that view has been urged since?—That view was adopted by the Court of Directors in admitting the public works officers to pensions. Since that date, that is to say, since the pension rules were revised in 1862, all officers of the Government have become entitled to pensions, provided that they were on the superior service.

2335. And from that date they became entitled to pension, provided that they were on the superior service?—They became entitled to pensions. Their right to pension was recognised.

2336. But the view has been urged, has it not, in Despatches, that it would be a danger to have too low pensions or too low pay?—To have "too low," certainly. I do not think that to have no pensions

25 July 1890.]

Mr. WATERFIELD, C.B.

[Continued.]

Mr. King—continued.

pensions has been urged as a danger, because I do not think there has been any question as to having no pensions.

2337. Too low pensions?—As to "too low pensions," there has been some representation made of the kind you suggest.

2338. May I direct your attention to page 45 of the same case?—Yes.

2339. You notice Sir Rivers Thompson's Despatch there, do you not?—Yes.

2340. I want to direct your special attention, and that of the Committee, to paragraphs 2, 3, and 4 of that Despatch, and specially to the words, "he has reason to believe that the question of loss by exchange, in so far as it affects the prospects after retirement of those officers whose pensions are payable in rupees, is one that is being discussed very generally, and is causing a considerable amount of discontent." This was written in 1886, was it not?—Yes.

2341. He then says that in his opinion, "there is much to be urged in favour of the contention of the memorialists, that the Government is in some measure bound by the terms of the prospectuses published from time to time for the information of intending candidates, and of the earlier pension rules for uncovenanted servants, wherein it was customary to state the alternative values of salaries and pensions in rupees and in sterling, the rupee being in all cases taken to be equal to 2 s."?—Yes.

2342. And further down, in paragraph 4, he states: "There is, however, another consideration which demands notice, and that is as regards the efficiency of the service. In order to improve the position and prospects of Civil Engineers in the Public Works Department, large concessions have lately been granted to them" (that is to officers of the public works), "in the matter of pay and pensions, one object of which was to accelerate retirement, and thereby improve the efficiency of the service. But it is certain that nearly all the benefits expected from these concessions will be neutralised by the depreciation of the rupee, unless the further concession prayed for in these memorials, to make the pension also payable in sterling, be also granted"?—Yes.

2343. Then he goes on to point to some other disadvantages. What position did Sir Rivers Thompson hold?—He was Lieutenant Governor of Bengal at that time.

2344. And was not he a very experienced Indian civilian?—Yes.

2345. Has his experience been confirmed by other experienced Indian civilians?—I do not think there is any paper so strong as that, but there may be.

2346. Are there some in the same direction?—I think some official opinions have been recorded in the same direction.

2347. I did not quite understand you yesterday when we were discussing this question; you remember, the question about "being entitled to pensions"?—Yes.

2348. The expression "entitled" I mean?—Yes.

2349. I understood you to say that that was an unfortunate expression used by the Government of India?—Yes, I referred to it as their expression.

0.135.

Mr. King—continued.

2350. I thought I did understand you, but I draw your attention to the fact that it was not the Government of India that used the expression. It was used in a Despatch of the Court of Directors to the Governor General of India in Council?—It is a Despatch of May 1854, is it not?

2351. No; the date of it is the 28th February 1855?—Yes, 28th February 1855.

2352. I wish again to draw your attention to the exact wording of that Despatch, because it is the Court of Directors who are writing. They say, "You have also brought to our notice that the Pension Rules of 1831 appear to require some amendment, especially in regard to the cases of highly paid appointments of from 1,000 l. to 2,400 l. per annum, the occupants of which appointments if invalidated after 30 years' service, are entitled, under the present rule, to receive a half pension varying from 500 l. to 1,200 l. per annum, whereas the covenanted servant, after 25 years' service, receives a pension from the Government of only 300 l. per annum in any case"?—Yes.

2353. What I wanted to draw your attention to first, was, that that was not a Despatch from the Government of India, but of the Court of Directors?—A "recital from a Despatch of the Government of India," I think I said.

2354. Then it appears that both parties were of the same opinion, does it not?—No, I do not accept that. I do not wish to lay stress on my objection, because I do not know that the Court of Directors had any intention of disputing it. I only say that the word "entitled" is used in the part of the Despatch in which they were professedly reciting the opinion of the Government of India.

2355. What I want to ask you is, whether the India Office have noticed that this Despatch was written nine months after the Despatch of the 5th of May 1854, on which you base your statements that those pensions were not claimable of right?—Yes.

2356. And that therefore, apparently, in those nine months the Court of Directors had reconsidered the matter, and had come to the conclusion that the gentlemen were entitled?—Oh, no; I do not accept that at all.

2357. But it certainly is an interpretation, which, on the face of the documents, would appear to be justified, is it not?—No, I do not think that this qualifies the Despatch of May 1854.

2358. I cannot put it further than that; but I should like to ask you this: If your interpretation of the Company's rules is correct, can you explain why it was necessary, in February 1855, to reduce the limit at all?—They only did so for the future.

2359. Is it not the fact that the Governor General in Council could have done it according to your views without any alteration of the rules, under the Rules of 1831?—Yes; for the future, that is, for persons to be subsequently appointed, they said no one should have the excess. If I may explain my view of it, it was a restrictive Despatch. They did not say that officers already in the service might not have specially large pensions, but they said: In future no one hereafter entering the service shall have a specially large pension.

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2360. I know

25 July 1890.]

Mr. WATERFIELD, C.B.

[Continued.]

Mr. King—continued.

2360. I know they introduced words as to those specially hereafter appointed?—I think that is the only effect of that Despatch. I do not think it has any other effect than to lay down what was to be the rule in the future. I do not think it affected the men who were in the service already.

2361. And as to those people the Court of Directors said they were "entitled"?—No; they referred to that as being the opinion of the Government of India.

2362. There are the words of the Despatch. I refer you to the Bengal Educational Officers' Memorial which appears in the Parliamentary Papers of 1872?—Yes.

2363. It is stated there that the new Leave Rules of 1862 conferred "furlough on allowances so small as to have been accepted during five years by only one person among the thousands of uncovenanted servants in the Bengal Presidency"?—I have the memorial, but I have not the passage at the moment.

2364. I think we may assume that the words I have noted are accurate. The only question I was going to ask you is whether that did not show that the furlough rules were not good enough for natives?—The passage is in paragraph 7. These are the words: "While the only benefits they confer are (1st), a furlough on allowances so small as to have been accepted during five years by only one person among the thousands of uncovenanted servants in the Bengal Presidency."

2365. I simply ask you whether that does not show that the furlough rules were not good enough even for natives, because of course, that "thousands" covers the natives as well as Europeans?—I presume that the memorialists meant the "furlough" to apply to visits to England, and of course the natives would not avail themselves of furlough to come to England.

2366. They would not use the word "thousands," would they, unless they intended it to apply to natives as well as to Europeans?—The natives would not take furlough, as a rule. They would avail themselves of the ordinary annual holiday. Furlough refers to officers going away from India on long leave, in that passage, I think; therefore it is a little misleading to speak of "thousands" not availing themselves of it. They naturally would not.

2367. You think that that was a misleading statement?—It was a confusion, I think. My belief is that it was not a question of the allowances being small which prevented the natives taking what is there called furlough.

2368. You would be quite justified no doubt, if that view is correct, in the reading you put upon it?—Yes, that is the interpretation I should put upon it.

2369. Now, to resume where we left off yesterday: I had got as far as the 1855 rules and compulsory retirement under them, and the effect that that had had on many officers by its retrospective action?—Yes.

2370. I now want to ask you, were not a large number of engineer officers compulsorily retired in 1879 under this rule?—No, not under this rule.

Mr. King—continued.

2371. Not the 1855 rule; but there were a great number of compulsory retirements, were there not?—There were a great number of compulsory retirements. It was a special measure altogether.

2372. Was any compensation given to those officers?—Yes.

2373. What was the compensation?—They were offered a special scale of retirement, with a gratuity not exceeding 12 months' pay.

2374. I think that is so, one year's salary?—The case that occurred was this: Owing to the sudden financial pressure, the Government of India found it necessary to restrict their operations in the Public Works Department, and something like 20 per cent. of their staff were thrown out of employment. The Government of India offered, to anyone who liked to retire voluntarily from the public service, a particular scale of pension, ranging from a forty-fifth to a sixtieth part of his emoluments for each year of service that he had, with a gratuity. They then told a great many of the officers that they should not have employment for them, and advised them to voluntarily apply for this scale of retirement. It was a compulsory retirement which they were obliged to take voluntarily; I do not think it is a grievance under the pension rules, because it was a special measure of reduction, where employment had ceased; and it was done in such a manner that (whatever is thought of the action of the Government) I suppose every man who retired under it did apply voluntarily, otherwise he would not have got those terms; so that I hardly think it comes as a grievance under the pension rules.

2375. I venture to suggest to you that those gentlemen, by this action on the part of the Government, were prevented from completing their service for the maximum pension?—Certainly they were.

2376. And, in so far as that is concerned, they have a very distinct grievance, have they not?—Not under the pension rules. I quite agree that they have a very great grievance, but I do not think it arises under the pension rules. I think it arises from the necessity that existed at that time for economy.

2377. And which was to be practised at their expense?—By the action of the Government.

2378. And this economy was to be practised at the expense of the service of India?—Yes; I think it was a very great hardship, but I do not think it was under the pension rules.

2379. Was it ever contended that there was any inefficiency on the part of these gentlemen?—Not at all.

2380. On the contrary, they were simply retired from motives of economy?—From motives of economy. We do not know how the Government of India selected the officers.

2381. Can you give any other instances in the English public service in which compulsory retirement, under such circumstances, was not amply compensated, either by gratuities or by adequate pension?—I believe it has been the rule

25 July 1890.]

Mr. WATERFIELD, C.B.

[Continued.]

Mr. King—continued.

rule to adopt a similar practice, to give the pension admissible on medical certificate, or even some increase of pension, and sometimes with a gratuity also.

2382. Do you know of any instance in the covenanted service in which a man has been compulsorily retired without full compensation for his loss?—I do not know of any instance in which an officer of the public service has been retired compulsorily at all, except from misconduct, without compensation.

2383. Were not most of the men thus retired past the middle age, and, therefore, was it not difficult for them, practically, to get any other employment?—Certainly.

2384. Does the Secretary of State claim the right to compulsorily retire men under covenant, or men who are gazetted into the service by an *ex post facto* rule?—You are speaking of officers in India, are you not?

2385. Yes?—I do not think the Secretary of State has ever put forward such a claim; but I suppose there is an inherent right in every Government to cease to employ its officers when it has no longer any occasion for their services. The only point is whether adequate compensation is given on the termination of their service.

2386. That is the whole point, whether adequate compensation is given?—Yes; whether adequate compensation is given.

2387. Has the Government of India made strong representations to the Secretary of State against creating an invidious distinction with regard to pension and leave rules between men appointed in England and men appointed in India?—Yes.

2388. May I refer you to a despatch of the Government of India to the Secretary of State, No. 227, of the 4th October 1870, in which they say that "the financial gain of treating the uncovenanted service less liberally, in this respect, than the rest of our officers would not in any way compensate for the sense of wrong caused by making an invidious distinction between officers doing perhaps the same duty, and at any rate receiving the same salaries, merely because they belong to different classes"?—Yes. It is in the 20th paragraph.

2389. But with that view the Secretary of State has not hitherto agreed, has he?—No. Shall I read his reply?

Chairman.

2390. Have you his answer?—Yes, it was answered.

2391. Will you read the answer?—Yes. The despatch in reply was dated the 6th December 1871. The "different classes" meant the officers appointed by the Secretary of State and officers appointed by the Governments in India, and the answer which was given by the Duke of Argyll on the 6th December 1871 was this: "Paragraph 2. I am glad to find that you concur in the principle that natives of India should be more generally appointed to offices the duties of which they are competent to discharge, and that offices to which it is desirable to appoint persons not natives of India, and for which special technical and professional qualifications are not required, should be, as far as practicable, held

O.135.

Chairman—continued.

by covenanted civil servants or officers of the staff corps. 3. It is obviously desirable that an increasing proportion of uncovenanted officers should be natives of India, and also that the principle which has been hitherto so eminently successful in operation should be, as far as possible, maintained, of vesting the first appointment of such Europeans as may be destined for the higher branches of the service, whether covenanted or uncovenanted, in the authorities in England, leaving all promotions to be made by the authorities in India. It would be a violation of these principles to encourage the creation of a highly paid English service in India, the first appointments to which would be vested in the local governments." Then, after referring to the nominal lists that were required, he said in paragraph 6: "It is no doubt difficult to devise rules to meet all the cases of European and Eurasian uncovenanted servants, who have obtained their first appointments in India. Saving such reasonable concessions as I am willing to grant to actual incumbents, I desire that it may be regarded as a general principle, not hereafter to be departed from, that all Europeans appointed in India to offices which could be fitly held by natives, should receive no greater advantages of any kind, furlough of course included, than would be enjoyed by natives holding such posts or offices. 7. With regard to those uncovenanted servants who are appointed in England to offices for which they have special qualifications, the case is different, and I have already expressed my willingness to allow them the benefit of more favourable rules. This benefit is also due to those Europeans who, for special reasons, may have been, or, with my sanction, may be hereafter appointed in India to certain exceptional posts."

Mr. King.

2392. That would appear to limit it to the case of Europeans holding posts which natives are fit to fill?—Not the last sentence; paragraph 6 referred to that; paragraph 7 referred to posts for which the natives were not fitted.

2393. Surely that would cover the posts of the police servants who are mostly appointed there, would it not?—If the Government of India had acted upon that despatch, they would have asked the Secretary of State to appoint officers to the higher grades of the police service.

2394. Would not that despatch exclude the police service, practically, from that rule as persons holding office which a Native is not fit to fill?—It left it for the Government of India to determine whether they considered the police department (amongst others) to be a department which must be filled by Europeans necessarily, or which might be filled by either Europeans or natives appointed in India. The Government of India have elected to fill it by the appointment of Europeans and Natives appointed in India.

2395. Now I will turn to the furlough rules. I see you mention short leave; that is privilege leave?—Yes.

2396. And you state that all officers have an annual holiday equal to one-eleventh of the continuous service they have rendered?—Yes.

2397. In

25 July 1890.]

Mr. WATERFIELD, C.B.

[Continued.]

Mr. King—continued.

2397. In point of fact, is such leave ever granted except in cases where it is possible during the short period of the officer's absence to provide for the discharge of his duties without any cost to the public service?—Yes, the privilege leave is given as a matter of right when an officer claims it, provided that his duties can be carried on. If the leave is only taken for one month, and the duties can be carried on without making an acting appointment, there is no charge on the State, but, if it is the accumulated leave, which may amount to as much as three months, an acting appointment may be made; but that does bring an extra charge on the State.

2398. An extra charge on the State?—Yes, it is possible that it may.

2399. As a rule, it is paid for by the person taking the privilege leave, is it not?—No; the person taking the privilege leave receives his full pay, but to prevent that being too expensive the Secretary of State not many years ago ruled that no acting appointments should be made (unless under special circumstances) for the first month of an officer's absence; for the second and third months an acting officer may draw pay.

2400. Privilege leave, in fact, is similar to the leave that is given in a bank, or in any private firm or public office here?—Yes, quite so.

2401. A month's holiday?—Yes, only with the power of accumulation.

2402. The other clerks have to do the work while he is away?—As long as it is limited to one month it generally is so.

2403. You make a distinction between short leave and long leave. Will you explain what you mean by that?—The short leave means the annual holiday; the privilege leave means the long leave, for which there are special rules, which admit of the officer coming away to England or taking leave in India, with special pay.

2404. But you divide that long leave into two; you divide it between that applicable to the European service, and that applicable to the native or local service?—Yes.

Mr. Barbour.

2405. But the usual short leave is a month, I understand?—The short leave is a month; but it has this peculiarity, that it may be accumulated. If an officer takes no leave for three years, he may take three months at the end of that time.

2406. Then the long leave is three short leaves?—No, the long leave is of a totally different kind. The long leave may be as much as two years at a time.

Mr. King.

2407. Do you consider that Deputy Commissioners (like some of the gentlemen who have come before us) who are discharging the duties of covenanted civilians, should be classed with natives in regard to furlough?—It depends entirely upon the nature of their appointment. If they were appointed from England, they would come under the European service rules. If they were appointed from India they would come under the Indian service rules.

2408. Perhaps that is a matter of opinion?—I do not quite understand whether you were

Mr. King—continued.

asking me my opinion, or asking me as to a fact.

2409. I was asking your opinion, and I had no right to ask your opinion. You state that in 1868 the Government of India proposed to assimilate the furlough rules of uncovenanted officers?—Yes, of civil officers generally.

2410. Officers generally; do you mean as nearly as possible to those of the covenanted service?—As nearly as possible.

2411. That has been granted in certain cases; to the local service that has been granted, has it not?—It has been granted with slight modifications (the chief one being the limit of pay) to the European services.

2412. As regards the "covenants," which is the last part of your memorandum, I see that under this head you discuss the clause containing the covenants that "in all payments to be made under these presents, the £ sterling shall be considered equal to and calculated after the rate of 10 rupees"?—Yes.

2413. Can you state what was the object of that proviso in the covenant?—Primarily, I think there is no doubt it was to settle the amount of the salaries when those salaries were expressed in sterling. In the earlier covenants which expressed the salary in rupees, there was no such clause. When the salary was expressed in sterling, a clause was put in "that in all payments to be made under these presents, the £ sterling shall be considered equal to and calculated after the rate of 10 rupees." Therefore, if it was stated that an officer had a salary of 300 £, it followed that he was to be paid 3,000 rupees in India; but there were other payments that might be made in sterling, and, in fact, were made before the officer went to India, and in some cases those had to be recovered in India; and the clause was therefore drawn, I think, in that form, "all payments to be made under these presents," in order to include those.

2414. You do not think it was, in fact, intended to protect the East India Company or the Government, against a rise in the rate of exchange?—Oh no, I do not think it had anything to do with the exchange, except as a specification of what number of rupees was to be received by an officer as his salary, or deducted from his salary as an equivalent of the payment in England. Shall I explain the nature of those payments? I mean this: An advance of salary was given to an artisan, 30 £, perhaps; but it was only on account of his salary. It had to be recovered when he arrived in India, in instalments; 300 rupees was thus shown to be the amount that had to be deducted.

2415. You do not think it was in any way to protect the company against the possibility of having to pay over 2s. to the rupee?—I do not think it had anything whatever to do with that.

2416. It would have had that effect at any rate, would it not?—No; I do not quite see how it could affect that. The main question was what amount of salary was to be paid; it had nothing to do with payments to be made subsequently in England, for they did not come into the covenant. The covenant was for five or

25 July 1890.]

Mr. WATERFIELD, C.B.

[Continued.]

Mr. King—continued.

or 10 years as a rule. No furlough or pension rights accrued under that clause of the covenant, except in so far as it has been held since that it may have been so; but primarily it was not intended to include those, I feel certain.

2417. Is it not a fact, whatever you may think was primarily intended, that in almost all cases in which this proviso was inserted in the covenant, the men have been paid their furlough in sterling at the rate of 10 rupees to the £.?—Yes, under recent legal advice.

2418. Therefore in the case at any rate of furlough, it would protect them against a rise in the rate of exchange?—Yes. You were asking me what it was intended to do; I say it was not intended to protect them against any rise in the rate of exchange. I do not think it was intended to have anything whatever to do with furlough pay or pension.

Mr. Barbour.

2419. How could it be to protect the company against the rate of exchange. We have documents put in here showing quotations of the official rate of exchange above 2s.?—The question which Mr. King put to me did not refer to payment at the official rate of exchange. He is speaking of the particular clause in the covenant which states that payment should be made on the basis of 1 £ being equal to 10 rupees. It had nothing to do with that official rate; that came into force, as applicable to pensions, at a subsequent date altogether.

Mr. King.

2420. Although certain gentlemen have been allowed to draw their furlough pay in sterling at the rate of 2s. to the rupee, it has been constantly declined as to pension, has it not?—Yes.

2421. But in most of the covenants the clauses as to furlough and as to pension follow one another, do they not?—Yes.

2422. Would not this lead any candidate who was entering into the covenant to assume that, both as regarded furlough and pension, the settlement would be made in sterling?—I cannot say what it would lead a candidate to assume; but in every case in which the pension rules were published the clause was inserted that pensions could only be paid in England at the official rate of exchange; and all he was entitled under his covenant to have was the pension rules of the Uncovenanted Service, or of the Public Works Department, as the case might be.

2423. Would it not have led you to think so (if you had read it without your immense experience) as a young man?—I think I should have asked what those rules were, and looked at them; and certainly if I had read them through I should not have been misled.

2424. You are a specially able man?—I do not suppose that candidates generally do read all the rules, when first appointed.

2425. There was a very interesting memorandum which you circulated; it is signed "H. W."?—Yes.

2426. I want to ask two or three questions upon it. There was a memorial of the uncovenanted servants presented in 1886. One of 0.135.

Mr. King—continued.

the requisitions was that the maximum limit of pension should be raised above 5,000 rupees?—Yes.

2427. And that that maximum pension payable in England should be paid in sterling?—From which page are you reading?

2428. Page 11?—Yes, you are quite right; it was one of their requisitions, in 1886.

2429. The Government of India did not support that application, did they?—No.

2430. But later, in 1888, what recommendation did they make?—They recommended that a maximum of 500 £ should be fixed for those paid in England.

2431. The matter of fixing a minimum rate has been under the consideration of the Secretary of State and the Government of India, has it not?—Yes, a minimum or a fixed rate.

2432. I will not ask what the minimum was. There was a despatch in 1886 which contained certain recommendations. Will you just briefly, without reading the whole despatch, state what they were?—From India?

2433. Yes; will you state briefly what the recommendations were?—There were four recommendations. The Government of India recapitulated their proposals in the following manner: "I. That, besides privilege leave, one year's leave with allowances in 15 years' service, and two years in 25 years' service, be allowed to count as service for pension, provided that such leave is taken out of India. II. That a graduated scale be fixed for invalid and compensation pensions, rising by increments of one-sixtieth for each year of service, from ten-sixtieths of average emoluments after 10 years' service, to twenty-four-sixtieths after 24 years' service, the present scale of half average emoluments after 25 years' service remaining as at present. III. That the age for the commencement of qualifying service be lowered to 21 years. IV. That officers drawing less than 100 rupees a month be declared eligible for privilege leave in the same manner as officers on higher pay."

2434. The date of that is 1886, is it?—It is a despatch of the 21st August 1886.

2435. I want to ask you two or three questions now with regard to the civil engineers who come separately before this Committee; the first is, whether it is not a fact that a circular, dated Simla, 6th October 1869, which has been referred to several times (No. 84, Public Works Department of Simla), was the outcome of the discontent of the Department?—No, I think it was not. I believe it was the outcome of an order, dated 31st August 1869, prohibiting civil engineers from receiving fees, or from receiving commissions on work. The civil engineers thought it was a slur on their body, and remonstrated with the Government; and the Government of India issued the Order of October 1869, to explain that they had the very highest opinion of the body of civil engineers, and had not intended to cast any slur upon them, and that, on the contrary, they were doing the best they could to make their emoluments equal to those of other officers engaged in similar duties.

2436. But there had been great discontent in the service prior to that, had there not?—Yes; I do

25 July 1890.]

MR. WATERFIELD, C.B.

[Continued.]

Mr. King—continued.

I do not say that there had not, but I say that that circular was not the outcome of that.

2437. It only followed after it, you think?—I believe it was the outcome of the prohibition of commissions.

2438. I say it simply followed after the discontent, did it not?—It was not issued in consequence of it, I think.

2439. Does not the third paragraph of that circular, coming as it does immediately after the paragraph as to the taking of commission, appear to be a recognition of the accuracy of the statement that the civil engineers were underpaid?—I do not know that it does.

2440. I will not argue it?—It implies that the civil engineers were not to be treated as a department subordinate to the Royal Engineers, but I do not think it says that they were underpaid. The circular says: "So far from there being at the present time any disposition to depreciate the value of the services of the civil engineers, the Government of India has lately had before it proposals, which it is hoped will take early effect, for improving their position generally, and placing them in respect to the emoluments on precisely the same footing as all other officers employed on the same duties."

2441. Why should the Government be considering a proposal, then, for improving the position generally of the civil engineers?—That, no doubt, was the outcome of the discontent. The Government of India's endeavouring to improve their position was the outcome of the discontent, I think.

2442. What do you consider the words, "placing them in respect to the emoluments on precisely the same footing as all other officers employed on the same duties" mean?—I think the Government of India was anxious that the civil engineers should not be in any way a subordinate or inferior service to that of the Royal Engineers or the military officers who were serving in the department, and that it was intended to put them as far as possible on an equality.

2443. And that would have involved at least the following, would it not: freeing them from the loss attendant upon the fluctuation of the rupee?—No, I do not think emoluments refer to anything more than pay.

2444. You do not consider that emoluments include pension?—Oh, no; not used in that way. I do not think it has any other meaning than pay. It is a technical word used in India, to include pay, personal allowances, and other special allowances.

2445. Would it not cover better leave rules?—I do not think it at all follows that it would. I am not saying that the Government of India were not anxious to secure that. I think they wished to get better leave rules for the civil engineers; but I think that the word "emoluments" in that circular had no reference to anything but pay.

2446. You interpret "emoluments" as meaning strictly pay, do you?—I do not say it may never be used to include furlough and pension, but when used in a purely general way I think it refers to pay.

2447. The authorities have never warned candidates of the difference between the Civil

Mr. King—continued.

Engineers and the Royal Engineers, have they?—I do not think there was any circular telling them that they were not to be on the same footing.

2448. Is it not a fact that the Roorki and other Indian College, and other Indian-appointed men can rise to the top of the Department, and that some of them now hold appointments which involve Cooper's Hill men and young Royal Engineers being in a subordinate position to them?—I believe it is; I am not able to answer in detail about the Public Works Department, but I think that is the case.

2449. Can you give any reason to the Committee which you think sufficient to justify the putting of these men on a different footing to the rest of the Civil Engineers?—It is purely a question of their being appointed in India.

2450. Purely a question of policy. Did they not expect to come under the general rules?—The Roorki College men?

2451. Yes?—I do not know what expectations they had. They had nothing to show that they were to receive the special privileges that were given to European appointments.

Sir William Plowden

2452. I suppose we may take it for granted that the real difficulty in this matter of the uncovenanted service and pension rules has arisen from the manner in which the uncovenanted service has been constructed?—Yes.

2453. As a matter of fact though there were men in high appointments in the Indian uncovenanted service as far back as 1854, before 1854; there was no great body of uncovenanted servants at that time?—There was a large body of men, but there were very few drawing high salaries.

2454. There were men in receipt of large allowances at that time, but they were exceptional appointments?—Quite exceptional; for instance, such a case as that of Mr. Elliot, which I have mentioned.

2455. May we also take it, that in your opinion, and as a matter of fact, those peculiarities in the difference of treatment of various branches of the uncovenanted service have grown up with the growth of the uncovenanted service?—Yes.

2456. And that they are caused by the want of system in the formation of the uncovenanted service?—Yes, I think so. I have already explained to the Committee that it is to a great extent the question of patronage which has caused the difference of treatment, that is to say, the question whether the appointment was made in India or in England; much of the different treatment which arises comes from that policy.

2457. May we take it that it really was due to the determination on the part of the authorities in England to disallow as far as possible the exercise of patronage by the local governments?—To the higher posts?

2458. To the higher posts?—Yes.

2459. You were asked some questions in regard to the Duke of Argyll's despatch, where he recognises the fact that the rules for the uncovenanted service should be based mainly on the requirement of the native service, but in which he pointed out that where men had been sent up to appointments which could not be well held

25 July 1890.]

MR. WATERFIELD, C.B.

[Continued.]

Sir William Plowden—continued.

held by native officers they might be subjected to different treatment in regard to their furlough and pension?—Yes.

2460. And you were asked whether this did not cover the case specially of the police?—Yes.

2461. Now is it not the fact, that men entering the police force in the various presidencies enter appointments which are open to natives?—Quite so.

2462. And it would only apply to cases in which, if a man had been appointed to one of the higher appointments in that office, he would hold an appointment not open to natives?—Appointed by promotion to such posts, do you mean?

2463. If they were promoted they would have been promoted from the lower grades, where the natives are in the same position, and on the same footing, would they not?—Yes.

2464. Are you aware of instances having occurred of men having been sent out from England, or been posted in India, to the higher appointments of the police without any previous training in those lower appointments where they are on the same footing as natives?—I am not aware of any; but I should, perhaps, not know if there had been; I do not recollect ever hearing of such a case.

2465. You may take it from me that there is no such case; then, in regard to a distinction which was drawn, and a comparison which was made, between the uncovenanted service treatment and the covenanted service treatment, in regard to furlough and pension, it was put to you that there was a branch of the covenanted service which was treated in a different fashion to the remainder, the statutory civilians?—Yes.

2466. But is it not the fact, that the statutory civilians are, to the covenanted service, very much what the uncovenanted service is to the covenanted service; that they are appointed without competition; that they are purely a nominated service; that they do not enter the service on the same favourable conditions as their brother members of the covenanted service, and that there is at the same time a certain number of native gentlemen who belong to the uncovenanted service, who have gone in under competition, who are on exactly the same footing as their European brethren in the covenanted service?—That is so.

2467. There is a very curious expression used in one of the despatches to which you were referred, I think it is No. 67, of the 4th September 1854, from India, where the supposed benefits to be conferred upon the uncovenanted service by the rules then in existence (the rules of 1831), were referred to by the Government of India, and where they put it that, though those rules were supposed to confer greater advantages on incumbents, they were supposed to confer greater advantages than the incumbents had any good reason to expect?—Yes.

2468. Does not that point to the fact, that at that time the inconvenient and awkward wording of the rules was fully recognised by the authorities as possibly leading the service to anticipate

Sir William Plowden—continued.

advantages, but which advantages they would not receive?—Yes, I think so.

2469. On the abstract case, there is no reason why different branches of the service, appointed in the same manner, should not receive absolutely the same treatment, is there?—Are you speaking with regard to furlough, or to pension?

2470. To either, or to both?—I do not think I can give an unqualified answer to that. There are points in which differences are made, such as the minimum furlough pay, for instance, I should not like to give, on the part of the India Office, an answer to the effect that they must necessarily all be on the same footing. Taking it very generally, as an abstract view, I think I might assent to it.

2471. It is as an abstract view that I put it to you?—Yes, I think in a general way I might assent to that; but there are so many differences that arise as to minimum and maximum pay, and questions of sterling pensions and rupee pensions, that I should be rather afraid of saying too much on that without examining the point.

2472. If the proposals of the Public Service Commission are accepted, a great portion of the difficulty in connection with the uncovenanted Civil Service furlough rules and pension rules will be got over, will it not?—I think so. I do not think that all the officers' grievances would be removed by it; because many who are now claiming the better treatment would find themselves relegated to the local service very likely.

2473. Can you explain why it is that the service before certain years of age is not allowed to count in some branches, and is allowed to count in other branches?—The cases in which it is allowed to count are those where the officers have been sent out from England.

2474. But is it not the case that it is allowed to count in many instances where officers have not been sent out from England?—I think only in very exceptional cases. I was mentioning yesterday the case of the telegraph signallers, and there is the case of the hospital assistants; but I think those are under special circumstances. Speaking in a general way, officers appointed in India are not allowed to count service before 22 in any branch.

2475. In the Marine Department, are they not?—That is not part of the uncovenanted service; it is a different kind of service altogether.

2476. You would not call it part of the covenanted service?—No, it is under the Military Department. It is, of course, distinct from the Army, but it is a special service under rules framed by the Military Department.

2477. Do the men enter the service under competition?—I think they are nominated by the Secretary of State, if I remember rightly.

2478. From England?—From England. I know that there was a batch of them nominated lately (I believe they always are); six or seven men were appointed recently.

2479. There is the case of the Postal Marine Service?—The Postal Marine Service is uncovenanted. That is different.

2480. They are nominated by the Local Government?—They are nominated by the Local Government.

2481. But

25 July 1890.]

Mr. WATERFIELD, C.B.

[Continued.]

Sir William Plowden—continued.

2481. But they are allowed to count from an earlier age their period of service towards pension, are they not?—I was not aware of that. I will not contradict you, but I did not know that it was so.

2482. It has been brought out in evidence before us that it is the case?—I think the gentleman who spoke on the part of the Postal Marine complained that he did not get the advantage which the Indian Marine did.

2483. There is another gentleman who complained that he did not get the advantage which the Postal Marine did get, though he was exactly on the same footing, and I think employed on the Somali Coast, while these men were employed in the Red Sea and between Bombay and Suez?—I thought he complained that he did not get what the Indian Marine got. I do not wish to contradict you; I may have misunderstood him.

Mr. Arthur Pease.

2484. Some of the officers have covenants, have they not?—Yes.

2485. Are the covenants restricted alone to those who are appointed in England, or are they applicable to different classes?—I believe that none of those who have been appointed in India have received covenants.

2486. None have received covenants?—I think not.

2487. And all those appointed in England, have they?—Oh no, not all.

2488. What are the grounds for giving the covenants. Are they given in certain classes?—No; the covenants began, I think, with the civil engineers, who about the year 1855 were sent to India, being men of mature age. The object was on the one hand to assure to them fair treatment, and, on the other hand, to bind them to stay in the service of the Government for a short period (a limited period), in many cases for five years; in some they were for 10 years; and, if retained afterwards, they were to remain under the general rules. The covenanted part of their service would cease then; but in course of time the covenants have been given up, and many of the officers who are appointed are serving in exactly the same way, only they have gone out without covenants.

2489. Then it is not customary to give covenants now?—There are very few now, except in the case of artisans.

2490. One case is mentioned of advantage being taken of a six months' notice in a covenant, which deprived the officer of certain advantages, the object of such notice being economy. Was there more than that one case; were there several cases, or many cases?—No; I was explaining to the Committee yesterday that there were two gentlemen whose salary had through inadvertence been expressed in sterling in the letter offering them the appointment, and after drawing the salary in rupees for two or three years they claimed to have the right of having their salary paid to them in sterling. The Secretary of State said that he did not wish to dispute the question as one of legal right, but that, if they insisted on what was never intended, what was not in the spirit of the contract, he should insist upon his

Mr. Arthur Pease—continued.

power of giving them six months' notice to terminate it, and have a fresh agreement made, which would be in the spirit of the original one.

2491. Was such notice given?—No; the officers explained that they had not intended to ask for anything beyond what was fair as a matter of practice. They continued in the service under the general conditions.

2492. Are there any statistics, or any figures which show what is the number of persons that entered the service before 1871, and after 1871; I take 1871 as the period from which the fall of the rupee took place?—I am afraid I cannot answer you at once as to that; the note which I have only refers to the sterling pensions granted since. I have not a note of the general pensioners.

2493. Would such figures be procurable?—They are procurable. I must say, however, that we should have to refer to India to see what pensions had been granted. Pensions are never granted to uncovenanted officers here in England. What happens is this: The Indian Government pensions the officer, and all we know is, that he brings a certificate entitling him to receive his pension at home; therefore, what we could tell you is, the number that have come to England with such certificates. That we could do if necessary.

2494. Supposing it to be possible to pay all salary, pensions, and furlough allowances at 2 s. to the rupee, is there any estimate as to what the cost of such equality would amount to?—Yes, the number of pensioners on the 1st April 1889 was 280 who are drawing their pensions in rupees, and I calculate that to give them their pensions in sterling would cost about 4,800 l. a year for each penny above the official rate; so that if, instead of paying at 1 s. 5 d. the rupee, they were paid at 2 s., it would be seven times that amount, or nearly 34,000 l. a year.

Mr. MacNeill.

2495. You stated in your examination-in-chief that what you call an official rate, as regards the exchange, is struck generally in March?—Yes.

2496. And that that remained for the entire year?—Yes; not what is properly called "an official rate," but what from custom we call the official rate. It is struck in December, to come into force at the end of March.

2497. You said, likewise, that that is simply done as a matter of convenience, or more as a matter of convenience than otherwise?—It is done under an arrangement made with the British Treasury of more than 60 years standing.

2498. Now are you aware (of course you are) that in March 1888, when a further fall in the rupee was contemplated, it was considered advisable, and actually contemplated, only to fix that official rate for six months?—No, you are now referring to another rate altogether, which is fixed by the Treasury, and is not our rate at all.

2499. What is that?—That is what you may find on the table I gave you, called the "Colonial rate." That was a rate based on the price of silver in London; it had nothing to do with

25 July 1890.]

Mr. WATERFIELD, C.B.

[Continued.]

Mr. MacNeill—continued.

with remittances to India, but was simply based upon the price of silver in London, and it was used at the Treasury for the payment of the British soldiers' pay.

2500. Soldiers' pay at home?—The British soldiers and sailors serving in Hong Kong, the Mauritius, or Ceylon; those are the colonies to which it was applicable.

2501. And it had nothing to do with the pay, or pension, or furlough of civilians?—Nothing at all.

2502. Did the Public Service Commission give the opinion that the high appointments in the Indian police must necessarily be held at present by Europeans?—I believe they did.

2503. That being so, would it not be proper that pensions to Europeans should be paid in sterling, inasmuch as the appointments can only be filled by them?—No, I am afraid I can only refer you to the explanation I have given of the policy as to appointments made in England, or made in India. But none of the uncovenanted servants have pensions paid in sterling, even if the appointments are made in England.

2504. Then when their salaries are expressed in sterling, and when their pensions are expressed in sterling, does not that contemplate that the pension should be received and enjoyed at home?—The pensions are not expressed in sterling; do you mean salaries expressed in sterling?

2505. I mean salaries expressed in sterling, and the pension would follow the salary, would it not?—No; there was no arrangement that the pension should be drawn at home. That is left to the officer's own choice; he draws it in England or in India as he likes under the conditions laid down.

2506. When the salary is expressed in sterling, is not sterling the standard in the man's mind and in your mind. If your salary was expressed in sterling you would expect it to be paid in sterling, would you not; would not the salary be the standard of value in your own mind?—No; not if I was told that I was to receive 100 l. which was to be paid to me at the rate of 1 l. being equal to 10 rupees. I should understand that it meant that the salary was to be paid at the rate of 1,000 rupees. That is the only explanation I can give of such a sentence.

2507. Salary paid in pounds?—The salary could not be paid in pounds. There is no opportunity of paying the salary, in India, in pounds.

2508. Are not some of the terms offered of pension and leave rules in despatches to be viewed as contracts between the Indian Government and the uncovenanted service?—I think that the terms offered on which the appointment was accepted are so.

2509. And ought to be viewed as legal contracts?—In the spirit in which they were offered, I think so.

2510. Has Government already conceded in principle that officers appointed locally (those officers appointed by the Governor General and Lieutenant Governors) are to be treated in the same way as officers appointed by the Secretary of State, by granting to several of those officers appointed locally the benefit of the improved 0.135.

Mr. MacNeill—continued.

European rules?—With certain exceptions. They do not have quite all.

2511. The improved leave rules?—Yes, the improved leave rules, in many cases, if the officers were in the service before a certain date; if they have come into the service after that date they do not have the benefit of those rules, unless they were appointed with the Secretary of State's sanction.

2512. What is the date of those rules?—1872 and 1876.

2513. 1872 and 1876; had people, in order to obtain the benefit of the improved rules, to comply with one of two conditions; first of all, the condition of entering the service in England, or the condition of drawing a certain amount of pay at that date?—Yes.

2514. Is there any principle upon which that rule is based, except a miserable rule of thumb?—Yes; the principle was that the Secretary of State would not allow an officer appointed by the local government to be treated as if he were an officer appointed by the Secretary of State; and, as it would have been hard to exclude all the officers who had been appointed gradually, under various conditions, before that rule had been explicitly laid down, he allowed those who were then in the service, and of such a standing (which was measured by their salary) as to be considered equal to those who had been appointed from England, to have the benefit of the better rules. But he said he would not carry that benefit on to a later date, and that officers appointed subsequently were not to have the privilege.

2515. There is despatch after despatch from all the Governors of India, in which the Indian Government protest against that distinction, is there not?—Certainly.

2516. Are some of the witnesses who have appeared even before this Committee enjoying the favourable leave rules, although appointed locally?—Yes, some of the officers if they were in the service before that date, or if they have been subsequently specially admitted to it.

2517. On what grounds can the several concessions granted to certain departments as regards pension, &c., be withheld from officers appointed locally?—Which concessions do you refer to?

2518. I refer very particularly to the concessions in reference to the pensions, the concessions as regards the Engineers, who got very favourable rules?—My explanation of that is, that the concessions granted to the Civil Engineers were specially granted to remove the block of promotion in that department, and that it was in hopes of accelerating retirement. That ground would not be in force for other departments; therefore the concession in the one case would not necessarily be applicable to the other.

2519. It was given to the Engineers, because there were too many of them?—There were too many under the reduced scale of operations.

2520. There are probably not too many in the other departments to make it necessary to reduce them, especially in the Telegraph Department?—I am not aware of there being a block of promotion in other departments.

2521. Sir William Plowden said that in 1854 the

25 July 1890.]

Mr. WATERFIELD, C.B.

[Continued.]

Mr. MacNeill—continued.

the uncovenanted civilians who attained any position of great eminence were very few in number?—Yes.

2522. Has not this uncovenanted service grown to its great magnitude since the time of the Mutiny, since 1858?—Yes, the Public Works Department has very largely increased since that date, and in other departments, too, there has been a very great increase.

2523. As a rule, are not the Non-regulation Provinces (I think that is what you call them, Burmah and these provinces that have come to us since the Mutiny) administered by uncovenanted civilians?—They were very largely administered so, but the policy now is to introduce covenanted civilians where possible.

2524. For all the best posts, the uncovenanted service having borne the burden and heat of the day?—For the purpose of governing the country, Parliament and the home Government have decided that the country shall be administered by the officers of the Civil Service selected by competition.

2525. Is it not the fact that in these Non-regulation Provinces, uncovenanted civilians have positions of greater responsibility and higher pay than covenanted civilians in many instances?—Necessarily, as the covenanted civilians are gradually introduced to replace them, they must be under the older officers; necessarily so.

2526. And does not it strike you as peculiar that a gentleman, who is practically governing a province, is to retire on 500*l.* a year, while his subordinate will retire on 1,000*l.* a year?—Not if the subordinate has paid for 700*l.* or 800*l.* of that 1,000*l.* I do not see that there is any such peculiarity in that case. It is quite possible that the subordinate officer may, before he receives his 1,000*l.* a year, have contributed enough to buy 700*l.* or 800*l.* a year, or even the whole 1,000*l.*

2527. But then in the salaries of the uncovenanted civilians is not this pension that they receive considered deferred pay?—The salary is the same. The uncovenanted officer and the covenanted officer, on the staff of one of the commissions, will receive exactly the same pay.

2528. And different pension?—And different pension. The only difference in regard to pay is that the uncovenanted officer receives 4 per cent. more than the covenanted, because the covenanted officer is obliged to pay towards his annuity, whereas the uncovenanted officer has no such condition to comply with.

2529. Are you not aware that for 20 years the uncovenanted service (the civilians), were most anxious that there should be a pension fund?—Yes.

2530. Why is it withheld?—I think it is because it was found that the difficulties of working any fund for a service in which there was a large number of natives were insuperable.

2531. You have followed this inquiry very accurately, and you know a great deal about the working of the offices; but has it not struck you, and is it not the result of your experience, that there are many offices held by uncovenanted civilians for which at the present time the natives are ineligible and incompetent?—Yes, that is so.

Mr. MacNeill—continued.

2532. Having regard to that fact, why should uncovenanted civilians, who hold offices for which only Europeans are competent, be paid on the expiration of their term, when they contemplate of course coming home, in rupees instead of in pounds?—Because they accepted their appointments on that condition.

Mr. Barbour.

2533. In cases where there is obscurity about the contract with civilians, I understand it is the custom of the office to ask for legal advice in the interpretation of the contracts?—Yes.

2534. And that in case of doubt the public servants get the benefit of the doubt?—Yes.

Mr. Bristowe.

2535. As I was not here yesterday, I will ask you a question to which I shall be glad to have an answer, unless you have already given the information. We have heard a great deal about the Covenanted and the Uncovenanted Civil Service, and what happens in the case of the gentlemen entering under the various arrangements. Of course it may be ABC to you, but could you, in a very short way, explain to the Committee the difference between the Covenanted and the Uncovenanted Service. I ask you to do that because it appears to me that the great grievance the uncovenanted servants have is that they are not put on the same footing as the covenanted, or virtually that. Could you in a short way explain it, if you have not done so before?—For the general administration of the country, in the higher offices, it has been always the practice to appoint officers from England to a special service, with special conditions of retirement and annuities. They were first appointed from Haileybury College, and now, for 35 years, they have been appointed by public competition. They sign a covenant, which is the reason that the title is given of the "Covenanted Civil Service." In that covenant they bind themselves to obey the orders faithfully, and they agree that they will contribute 4 per cent. of their salaries throughout their term of service towards the provision of their own annuity, and such further percentage as may be required towards the provision of pensions for their families. It is the signing of that covenant which makes a man a member of the Covenanted Civil Service. Any other officer may be called an uncovenanted officer, but there is no whole service that can be called the Uncovenanted Service. It is only a mass of departments or officers who are not covenanted.

2536. Then the covenanted gentlemen really contribute to their own furlough and pensions by this 4 per cent. which they hand over every year?—To their pensions; they do not pay in respect to furlough.

2537. Only their pensions?—Only their pensions, and their families' pensions.

2538. That is the reason why the pensions are paid in sterling; it is so, I believe?—Yes.

2539. It is because they actually contribute to that fund by a payment annually?—Yes.

2540. That is the only difference, then, between the two services, as far as this question of

25 July 1890.]

Mr. WATERFIELD, C.B.

[Continued.]

Mr. Bristowe—continued.

of the rupee goes?—Yes, as far as that goes. The covenanted service is a higher service, and by Act of Parliament the higher appointments are reserved for it; but as regards the question of the payment of pensions, the covenanted servant receives an annuity; we do not call it a pension, because it is held that he has bought his annuity by the conditions of the service. The uncovenanted officer receives a pension regulated according to his salary at the time of his retirement.

2541. The covenanted service is a higher service, or is supposed to be a higher service, is it not?—Certainly it is.

2542. To which an engineer from Cooper's Hill cannot attain through that medium?—No, quite so.

Mr. Buchanan.

2543. The covenanted servant enters by competition here, does he not?—He does.

2544. There is one point with regard to what Sir William Plowden, or some other Member of the Committee, asked you, with regard to the natives of India who are members of the covenanted service, who have entered by competition; when they earn furlough allowance or pensions, is any of them attain to that, are they paid to them in rupees or in sterling?—In regard to furlough, pay, and annuity, they would be paid exactly the same: they have the same privileges as European members of the covenanted service.

2545. What I was rather wanting to know was this: suppose a native of India, who is a member of the covenanted service, and who is entered by competition, earns his pension, and probably continues to live in India, is it paid to him in rupees or in sterling?—As regards the annuity of the officer there is no difference; he is exactly on a par with the European. He has his choice of receiving his annuity in sterling in England, or in rupees in India. There is a difference in the case of a statutory native civil servant.

2546. That I do not mean; I mean a competition man?—There is no difference in that case. He receives the annuity in sterling if he draws it in England, or in rupees if he draws it in India, which is a provision available for the European officer also.

2547. For the European officer in the covenant also; but if he draws it in India he gets it in rupees?—He draws a certain number of rupees. There is no rate of exchange; it is a fixed number of rupees.

2548. There would be no objection on principle or precedent to a man in the uncovenanted service who drew his pension in England getting it in pounds sterling, and the man who drew it in India getting it in rupees?—So far as regards the Covenanted Civil Service that is the rule, and it could be applied to the uncovenanted service; but it is not paid at the official rate of exchange, it is a special sum, payable in England in sterling and payable in India in rupees.

2549. What I meant was this: there is already a precedent in the case of the covenanted service for men in the same service on accepting terms

0.135.

Mr. Buchanan—continued.

of office under the same conditions being paid, some of them, their pensions in rupees in India, and some of them their pensions in sterling in this country?—Yes, the officer has a right to draw which he likes. He may either draw the 1,000*l.* in England or he may draw 10,666 rupees in India.

2550. It is absolutely in the option of the individual under the covenanted service to draw his pension of 1,000*l.* a year in England, or 10,600 rupees in India?—Quite at his option.

Mr. Bristowe.

2551. And the native could do it?—The native could do it.

Mr. King.

2552-3. Wherever he resides?—Yes, at those rates he may draw his annuity in India or in England, wherever he resides.

Chairman.

2554. The question is, whether there is any condition of residence?—Yes. The officer may draw it where he pleases; but, if he is resident in India he may exercise the option of receiving the equivalent of his 1,000*l.* there, at the official rate of exchange, instead of the sum of 10,666 rupees.

Mr. Barbour.

2555. You think possibly an officer residing in India might draw his pension in England?—Yes, he may do so, if he prefers it.

Chairman.

2556. A covenanted civilian residing in India might draw his pension in London?—Yes.

Mr. Buchanan.

2557. Are there any cases in which uncovenanted civil servants draw their pensions in India, and remit them home, so far as you are aware?—We do not know whether they do or not. We only know if they draw them at the India Office. An uncovenanted officer may draw his pension in India, and remit it home, without any question.

2558. You do not know as a fact whether any of them do so?—I cannot answer that; I know that they have done it, if that will answer your question; I know that there have been cases in which they have done so, because we have frequently had the certificate brought home, showing that the officer had been drawing his pension in India before.

2559. What you described as the local service in India is not an official distinction, is it?—No, the Indian services is the title adopted in the code, as distinguished from the European services.

2560. Are all those (in what you describe as the local service in India) officers of the Government under the same furlough rules?—Unless they have been specially allowed other privileges. The civil engineers appointed in India with European training have been allowed to come under the better rules.

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2561. I want

25 July 1890.]

Mr. WATERFIELD, C.B.

[Continued.]

Mr. Buchanan—continued.

2561. I want to know whether these men who have these special privileges have been specially exempted; are civil engineers, and others who have got special furlough privileges, men in the local service as well as men appointed by the Secretary of State?—There have been such concessions to men in the local service, if they had had such a training as the Secretary of State was willing to recognise as virtually European service or training.

Mr. King.

2562. There are also besides those the gentlemen who, on the right side of the arbitrary line which was drawn in 1876, are in the local service, and get better rules; is not that so?—Yes; that is by reason of their having held a certain standing at that date.

Mr. Buchanan.

2563. As to that proviso about the £. being taken for 10 rupees, of which we have heard a great deal in the covenants, when did that first disappear from the covenants made with the covenanted civilians?—I find that the covenants granted in 1855 had the clause. The covenants granted in 1861 in the Public Works Department had not; but one in the Education Department had it. A covenant granted in 1868 (also in the Public Works Department) had not; but in the Telegraph Department one had. I think the last occasion of its being put in was in the telegraph covenants of 1870.

2564. And since that time?—In the year 1871 the Secretary of State passed an Order that all furlough allowances for covenanted civil servants, military officers in civil employ, or uncovenanted officers, should be paid at the fluctuating official rate; and consequently when covenants were made, such a provision was inserted; and the clause stating that 1*l.* was equal to 10 rupees vanished.

Sir William Plover.

2565. It is not necessarily a covenant, is it?—The covenanted officers draw their furlough pay at the official rate of exchange, but they are to a great extent protected by the minimum rates that they may draw in sterling. A covenanted officer whose furlough pay would be between 500*l.* and 1,000*l.* a year would receive it at the fluctuating rate. Suppose his half-salary was 7,000 rupees, he would receive 700*l.* if the rate happened to be 2*s.* at the time; and he would receive only 6,000 rupees if the rate brought out that proportion. It varies, but he has the great advantage of having the minimum of 500*l.*, whether the fluctuating rate would bring it below that amount or not.

Mr. Buchanan.

2566. I do not quite understand that. At the present moment the furlough allowances of the covenanted civilians are paid partly at the rate of 2*s.* to the rupee and partly at the official rate?—No, they are paid all at the official rate; but an officer in the covenanted service receives not less than 500*l.*

Chairman.

2567. Paid at the official rate, but guaranteed to be not less than 500*l.*?—Yes.

Mr. Buchanan.

2568. There is one other question in regard to your evidence. I did not quite understand the exceptions; I dare say it was my fault. What were the exceptions, or were there any in the case of those gentlemen who, under the 1831 rules, got pensions without a medical certificate?—Under the Despatch of 1854, if they had put in 35 years' service, they were allowed pensions without medical certificate.

Mr. MacNeill.

2569. Was it not the case under the 1831 rules, that any man who served for 30 years certainly got the medical certificate as being incompetent to serve any more; it was given as a matter of course, was it not?—I am not able to say under what circumstances those medical certificates were given.

2570. Was a man of 30 years' service ever refused his medical certificate?—That I cannot tell you, because it would only occur in India. I can only say that men served very long periods, some of them as long as 45 years, 50 years, 57 years, and in one case 60 years.

Chairman.

2571. With regard to that estimate of cost which you gave to Mr. Pease for the payment of pensions at sterling rates, was that based upon the pensions now paid in London?—Yes; on pensions paid on the 1st of April 1889.

2572. Are you of opinion that the adoption of such a rule would cause the pensions paid in London to be very largely increased?—I think it would certainly have a tendency in that direction; but even without that the tendency of the pension list is to increase, so that the sum I named would be the minimum cost of the concession.

2573. It has been suggested, in the course of the inquiry, that furlough pay should also be paid at fixed rates; have you any estimate of the cost of doing that?—Yes; that is a much heavier expense, owing to the point I was just now mentioning, that it would include the covenanted officers and military officers as well. On the furlough allowances granted last year, the extra cost of paying them at 2*s.*, instead of at 1*s. 5d.*, would be 73,600*l.* a year.

2574. Have you made any estimate as to what would be the cost of paying family remittances at sterling rates?—That is a more difficult matter for which to give an estimate, because the amount of the remittances varies so much. Taken on the last year for which we have the account, it would be 75,000*l.* a year to pay them at 2*s.*, instead of at 1*s. 5d.* The total cost of the three would come, as a minimum, to about 180,000*l.* a year.

Mr. Bristowe.

2575. That is, if it is taken at the rate of 1*s. 5d.*, is it not?—As compared with 1*s. 5d.*; of course, if the official rate were higher, the cost would be less.

2576. The

25 July 1890.]

Mr. WATERFIELD, C.B.

[Continued.]

Chairman.

2576. The furlough pay of military officers is also paid in rupees, is it not?—It is if they are in civil employ. By the last military furlough rules the payment for those on military duty is fixed absolutely in sterling.

Mr. MacNeill.

2577. That is quite recent?—That is quite recent. Those are the Rules of 1886.

Mr. King.

2578. I should like to ask you one question as regards your estimate of the cost. In the case of the payment of furlough, the amount would be largely altered if it was made on the same or similar basis (I do not say on the same terms, but the same basis) as that of the covenanted service, namely, by fixing the minimum to be received in sterling?—Of course the concession of a fixed minimum rate is very much less than the concession of payment at 2*s.*

2579. And the question of family remittances, I think, has not been raised?—It was alluded to by one of the witnesses, and it is mentioned in the Case. Perhaps I had better hand in a Paper with reference to what Mr. King has said, showing "the amount of furlough allowances paid in

Mr. King—continued.

England in rupees per annum, in the year ended 31st March 1890."

Chairman.

2580. If you have the Paper containing the estimated cost it would be well that it should be handed in. (*The same was handed in.*)

Mr. King.

2581. I suppose, if residence in the country were made a ground for paying the pension, that would considerably influence your estimate?—I did not refer to the increase of cost owing to natives of India coming to England, but rather to the evidence the witnesses have given, to the effect that many Europeans are prevented from coming home by the low furlough pay. It follows from that, that if the furlough pay were higher more would come.

2582. The pensions I am speaking of?—The same would apply to pensioners also. The evidence was that they hang on as long as possible, on account of the low pensions; therefore, I infer that if they had better pensions the tendency would be to an increase of charge in that direction also.

2583. You are speaking simply with regard to Europeans, are you not?—Yes, with regard to Europeans.

A P P E N D I X.

APPENDIX, No. 1.

PAPER handed in by Mr. T. Hesketh Biggs, 24th July 1890.

THE following are the rules suggested :—

Proposed Leave and Pension Rules.

I.—Service to commence from date of appointment, or the age of 20, whichever is latest.

It is to the advantage of Government that both Europeans and natives of the higher ranks of the service should take leave to England, and furlough counting towards pension might be an inducement to those natives who wish to improve themselves to visit England. It would not practically alter the rules for the bulk of the Uncovenanted men, as their small salaries prevent their taking leave out of India.

II.—A furlough of two years out of India, or of one year if taken in India, to be allowed after eight years' service, and three months' furlough to be earned for each year's service after, up to a total altogether of six years, not more than five of which may be taken in India; leave on medical certificate to be granted when necessary, and to count against furlough; two years in 20 years' service, and four in 25, to count as service for pension, provided that it is taken out of India. The absentee allowance to be calculated at half average salary, and limited to a maximum of Rs. 833-5-4 per mensem.

The term of service for Public Works Officers appointed by the Secretary of State is 20 years.

III.—Pension on medical certificate to be granted after 10 years' service, and up to 30 years, 1-60th of salary being allowed for each year's service; the maximum limit of pension after 10 years to be Rs. 2,000 a year, and the limit to increase by Rs. 200 each year up to Rs. 5,000 after 25 years' service. Europeans brought up and educated in England or Europe, not domiciled in India, to be allowed to retire voluntarily on similar pensions without medical certificate after 20 years' service.

IV.—A good service pension to be granted after 30 years' service, calculated at 50 per cent. of salary, and limited to Rs. 5,000 a year.

That higher rates of pension are necessary for the higher officers of the Uncovenanted Service has been acknowledged by the Secretary of State, for he has already sanctioned the grant of these extra pensions in certain cases. A few more would gain by the rule being made general.

V.—Officers holding appointments carrying salaries between Rs. 1,000 and Rs. 2,000 to receive an extra pension of Rs. 1,000 per annum, in addition to the ordinary pension, and irrespective of the number of years served; those in receipt of Rs. 2,000 per mensem and upwards, Rs. 2,000 per annum.

VI.—No officer holding an appointment the salary of which is Rs. 3,000 per mensem, or more, to be allowed to retain his appointment longer than five years, without the special sanction of the Secretary of State.

VII.—No officer holding an appointment the salary of which is Rs. 1,000 and upwards to be allowed to remain in the service after the age of 55, without the sanction of the Secretary of State.

VIII.—One Annuity Fund to be allowed, to which all officers may subscribe.

IX.—Officers who take leave, or retire and reside, beyond Indian limits, to be allowed to draw their absentee allowances or pensions, as the case may be, at the rate of 2s. to the rupee.

APPENDIX, No. 2.

PAPER handed in by Mr. Henry Waterfield, C.B., 25 July 1890.

AMOUNT OF FURLOUGH ALLOWANCES paid in England, in Rupees per Annum, in the Year ended 31st March 1890

	Converted into Sterling at						The Total Amount is stated below, assuming Columns 2 and 3 to be converted at the respective Rates named.																
	1 s. 5 d.		1 s. 4½ d.		2 s.		Totals of Columns 2-4.		1 s. 6 d.		1 s. 7 d.		1 s. 8 d.		1 s. 9 d.		1 s. 10 d.		1 s. 11 d.		2 s.		
	No.	£.	No.	£.	No.	£.	No.	£.	No.	£.	No.	£.	No.	£.	No.	£.	No.	£.	No.	£.	No.	£.	
ABSENTEE ALLOWANCES																							
Covenanted Civilians																							
	102	7,494		41,530		—	102	49,024		53,240		56,198		59,156		62,113		65,071		68,028		70,987	
Uncovenanted Civilians																							
	329	10,933		45,959	39	11,182	368	68,074		72,896		76,324		79,753		83,180		86,609		90,038		93,466	
Civilians whose allowances are wholly or in part chargeable to other than Indian Revenues																							
	8	258		1,885	1	427	9	2,570		2,757		2,887		3,016		3,145		3,274		3,404		3,533	
FURLOUGH PAY:																							
Military, Medical, and Warrant Officers																							
	198	6,827		44,506	51	28,450	249	74,783		79,231		82,329		85,428		88,527		91,626		94,724		97,823	
Military Officers, &c., whose furlough pay is wholly or in part chargeable to other than Indian Revenues																							
	2	129		542	—	—	2	671		728		768		808		849		889		929		970	
Indian Marine																							
	20	332		1,727	—	—	20	2,059		2,235		2,300		2,484		2,609		2,733		2,858		2,982	
Bengal Pilot Service																							
	13	270		1,798	1	193	14	2,261		2,440		2,565		2,690		2,815		2,940		3,065		3,190	
Marine Officer, whose pay is partly charged to other than Indian Revenues																							
	—	20		146	—	—	—	166		180		190		200		211		221		231		241	
Difference between the totals at the rates stated and the sum which would have been paid had the rate been 2 s. for all																							
	764	190,608		—	—	—	764	190,608		213,707		223,621		233,535		243,449		253,363		263,277		273,192	
	—	73,584		—	—	—	—	73,584		59,485		49,571		39,657		29,743		19,829		9,915		—	
TOTAL																							
	764	273,192		—	—	—	764	273,192		273,192		273,192		273,192		273,192		273,192		273,192		273,192	

Difference between the totals at the rates stated and the sum which would have been paid had the rate been 2 s. for all

India Office, 1 April 1890.

Thomas W. Keith, Accountant General.