FINANCE

G.O. No. 127

28-2-1865

P/11/GR/RA/Ref

17 2/93 omissions by DAV

M.R.O. 1—77,000—8-6-37.

(1) Number of pages 6.

(2) Date of repair 7-8-32.

(3) Initials of the Reference

MADRAS RECORD OFFICE.

Government of Madras.

financial DEPARTMENT.

G.O. No. 125	Press / Mis.
Dated 27-2-	18 65.

67-68 415

Not to be folded or roughly handled

Proceedings of the Madras Government, Financial Department,
27*th February* 1865.

No. 67 Read the following Despatch from the Right Honorable Sir C. WOOD, Bart., Secretary of State for India, to His Excellency the Right Honorable the Governor General of India in Council; dated India Office, London, 16th December 1864, No. 302.

I have considered in Council your Financial letter, dated the 13th September last, No. 127, relative to a proposition made by the Government of Bombay to permit service on the establishments employed under Act No. XIX of 1863 of the Bombay Legislative Council (Cotton Frauds Act) to count for pension, under the Uncovenanted Service Pension Rules.

2. To this proposition you object, on the ground that the Cotton Frauds Act is not a general but a local Act, based on a local fund, the income of which is connected with the operation of the Act. You state that the Government of Bombay had, without consulting your Government, appointed an establishment, under the Cotton Frauds Act, consisting of a Chief Inspector, at Rupees 1800 a month, a Sub-Inspector at Bombay, whose salary is not stated, and six European Inspectors, at Rupees 700 each; and you observe that, if the local Governments are allowed to exercise the power of binding the Government of India to expenditure out of the general revenue, under these local Acts, the full control over that revenue hitherto possessed by the Government of India must obviously cease.

3. It appears to Her Majesty's Government that the proposition made by the Government of Bombay ought not to be sanctioned. If it were admitted that servants appointed under local Acts, whose salaries are paid from fees levied under the provisions of those Acts, were to be granted superannuation pensions out of the general revenue, the charge to the State for those pensions would be largely and indefinitely increased. The correct principle, in regard to superannuation, appears to be that pensions should be granted out of the same funds from which the salaries have been paid.

4. In order to bring the Cotton Frauds Act, which was exceptional in its character, into speedy and effective operation, it was deemed expedient by the Government of Bombay to sanction the employment under that Act of some of their servants, their salaries while so employed being paid from the local fund. Under the peculiar circumstances of the case, Her Majesty's Government will not require that the time so occupied shall be excluded from the period calculating as service for pensions from the public revenues.

5. I have, however, requested the Bombay Government to take the earliest opportunity of restoring the officers referred to to their proper position in the regular service, and I should hope that any necessity for a similar employment of Government servants will be very rare. It must be regarded as a fixed rule that officers of establishments employed under local Acts will not be entitled to any pension, or allowance from the State.

No. 565.

ORDER.—Ordered that a copy of the above Despatch be forwarded to the Governments of Bengal and Madras, and to the Civil Paymaster, Bombay, for information and guidance.

FORT WILLIAM,
FINANCIAL DEPARTMENT,
The 31st January 1865.

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

No. 68. ORDER THEREON, 27th February 1865, No. 125.

Communicated to the Civil Pension Department, and to the Civil Paymaster; and also to the several Departments of the Secretariat.

(True Extract).

Chief Secretary.

To the Civil Pension Department.
„ Civil Paymaster.
„ Department.

Exd. J. H. Burns.

India Office.

London 16th December 1864.

Financial

№302.

Do

His Excellency the Right Honorable the
Governor General of India in Council,

Sir,

Para: 1 I have considered in Council your Financial letter dated the 13th September last. №129, relative to a proposition made by the Government of Bombay to permit service on the establishments employed under Act №19 of 1863 of the Bombay Legislative Council (Cotton Frauds Act) to count for pension under the Uncovenanted Service Pension Rules.—

2 To this proposition you object, on the ground that the Cotton Frauds Act is not a general but a local Act, based on a local fund, the income of which is connected with the operation of the Act. You state that the Government of Bombay had, without consulting your Government, appointed an Establishment, under the Cotton Frauds Act, consisting of a Chief Inspector, at Rupees 1,800 a month, a Sub Inspector at Bombay, whose salary is not stated and six European Inspectors, at Rupees 700 each, and you observe that, if the local Governments are allowed to exercise the power of binding the Government of India to expenditure out of the general revenue, under these local Acts the full control over that revenue hitherto possessed by the Government of India must obviously cease.—

3 It appears to Her Majesty's Government that the proposition made by the Government of Bombay ought not to be sanctioned. If it were admitted that servants appointed under local acts, whose salaries are paid from fees levied under the provisions of those Acts were to be granted superannuation pensions out of the general revenue, the charge to the State for those pensions would be largely and indefinitely increased. The correct principle, in regard to superannuation appears to be that pensions should be granted out of the same funds from which the salaries have been paid. —

4 In order to bring the Cotton Frauds Act, which was exceptional in its character into speedy and effective operation, it was deemed expedient by the Government of Bombay to sanction the employment under that Act, of some of their servants, their salaries while so employed, being paid from the local fund. Under the peculiar circumstances of the case, Her Majesty's Government will not require that the time so occupied shall be excluded from the period calculating as service for pensions from the public revenues. —

5 I have however, requested the Bombay Government to take the earliest opportunity of restoring the officers referred to to their proper position in the regular service, and I should hope that any necessity for a similar employment of Government servants will be very rare. It must be regarded as a fixed rule that officers of establishments employed under local acts will not be entitled to any pension or allowance from the State. —

I have the honor to be &c.
(Signed) C. Wood. —

No. 505.

Order — Ordered that a copy of the above despatch be forwarded to the Governments of Bengal and Madras and to the Civil Pay Master Bombay for information and guidance. —

Fort William
Financial Department
The 7th January 1865

(Signed) C. H. Lushington
Secretary to the Government of India

J. E. Cole

Assistant Secy. to the Government of India

3/2

Financial 1865 Dept.
From
A/Asst Secy to Govt of India
Finl Dept
No 565

Dated 31st Jany } 1865.
Rec'd 16th Feby }

F. D. No. 79 of 65

No. 98.

Coming ruling of the Secretary of State, to the effect that officers of Establishment employed under local Acts, will not be entitled to any pension from the State

Order 27th February 1865 No. 125.

Communicated to the Civil Pension Department and to the Civil Paymaster, & also to the several Departments of the Secretariat.

To the Civil Pension Departt
" Civil Paymaster
" the Departments of the Secretariat
viz. Pub. Instn Railys Pol.
Educl Instn Educl Legn
Revn Mily Pub. Works
} despd 3/3.

Order