M.R.O. 1—77,005—8-6-31.

(1) Number of pages 12

(2) Date of repair

(3) Initials of the Referencer

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 12	Press Mis.
16-17	
Dated 6-1-	18 91.

16-17 6/7

Not to be folded or roughly handled

Proceedings of the Madras Government, Financial Department, 6th January 1871.

No. 16, Read the following Proceedings of the Government of India, Military Department, dated Fort William, 14th December 1870, No. 571 :—

Read the following :—

Extract from the Proceedings of the Government of India in the Foreign Department (General), No. 1981G, under date the 23rd November 1870.

Read a Memorandum from the Military Department, No. 27, dated the 3rd of October 1870, forwarding, for an expression of opinion, certain papers, in original, relative to the case of Captain G. Proudfoot.

—

OBSERVATIONS.—The Viceroy and Governor-General in Council observes that Captain Proudfoot is serving the Nizam, not the British Government, and that, if more pay is required for the duties which he performs or in consideration of efficient service, the increase should be given by the Nizam's Government.

2. As regards the question of pension, His Excellency in Council considers that it would be contrary to the terms of the recent Resolution of this Department, on the subject of the pensions of Officers lent to Native States, to grant a larger sum to Captain Proudfoot on retirement than that to which he may be entitled by strict rule, unless that Officer agrees to pay six per cent. of his salary to cover the cost.

To Financial Department, No. 376-F, dated 16th September 1870.

3. His Excellency in Council is, therefore, of opinion that both the claims put forward by Captain Proudfoot should be disallowed.

ORDER.—Ordered that the foregoing observations, together with a copy of the Resolution therein referred to, be forwarded to the Military Department, in answer to the Memorandum from that Department, No. 27, dated the 3rd of October 1870,—the original papers received therewith being at the same time returned.

(True Extract.)

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

—

Office Memorandum from the Secretary to the Government of India, Foreign Department, to the Secretary to the Government of India, Financial Department, dated Simla, 16th September 1870, No. 376-F.

In reply to Financial Circular, No. 4209, dated 25th October last, the Secretary in the Foreign Department is directed to forward a copy of the papers noted in the margin, and to communicate the following opinion of His Excellency the Viceroy and Governor-General in Council in the Foreign Department on the question, as it affects Native States.

From the Secretary to the Government of the Punjab, dated 9th February 1870, No. 59-169.
From the Agent to the Governor-General for Rajpootana, dated 10th February 1870, No. 141G.
From the Officiating Secretary to the Chief Commissioner of British Burmah, dated 11th February 1870, No. 36-2G.
From the Chief Commissioner of Mysore and Coorg, dated 16th February 1870, No. 5661-280F.
From the Acting Chief Secretary to the Government of Fort Saint George, dated 21st February 1870, No. 84.
From the Officiating Assistant Secretary to the Chief Commissioner of the Central Provinces, dated 22nd February 1870, No. 510-36.
From the Officiating Agent to the Governor-General for Central India, dated 28th February 1870, No. 5F-45.
From the Officiating 1st Assistant Resident at Hyderabad, dated 5th March 1870, No. 160.
From the Secretary to the Chief Commissioner of Oudh, dated 25th March 1870, No. 1319.

2. The foreign administrations referred to may be divided into two classes: (1) those which are entirely under the administration of the British Government, such as Mysore and the Berars; and (2) those which are under native administration, with or without the assistance of a British Political Officer.

3. With regard to the former, there need not be much difficulty, as the finances are entirely under the control of the British Government, who alone are the judges of the administrative charges which can properly be debited to the revenues of these provinces.

4. It appears from the returns received under cover of Financial Department's No. 1334, dated 28th February 1870, that, both in the Berars and in Mysore, the absentee allowances of all officers are like their salaries already charged wholly against the revenues of these provinces, so that nothing further under this head appears to be required.

5. In respect to pensions of Uncovenanted Servants, the case of Mysore is provided for in Financial Department's No. 1662, dated 1st August 1865. The same rule might with advantage be applied to the Berars. In regard to the pensions of Military and Covenanted Civil Officers who may have served in these provinces, there is no objection to a sum being annually credited to the British Government from the local revenues, equal to the proportion of pension which the British Government pay to the officers concerned for their service in the Berars or Mysore. Should the time ever come when the British Government parts with the control of the finances of these provinces, then special arrangements might be made in one of two ways to meet existing and prospective liabilities for pension: either a special stipulation for an annual payment might be made with the Native Government, or a sum calculated as a proper equivalent for all liabilities might be credited to the British Government before the administration is transferred.

6. In regard to the other class of Native States, the question is much more difficult. His Excellency in Council in this department cannot consent to any arrangement which involves a direct demand on the Native States either for leave, allowances, or for pension, or which will bring the British Government into contact or controversy with Native States on the subject. The plan which, in the opinion of His Excellency in Council in this department, appears most feasible, is the following:—When an officer is lent to a Native State, it should first be determined what is a fair remuneration to himself for the duties he has to perform. When that is settled, there should be added to it such a percentage as, on a fair calculation, would meet—*first*, the charge to the British Government for absentee allowances; *second*, the charge for pension. The entire sum should be paid by the Native State as substantive salary. When the payment is made through a British Treasury, the percentage should be deducted, and only the balance paid to the officer. When the payment is made to the officer direct by the Native State, he should be required to pay the percentage to the British Government, or forfeit his claim to allowances when on leave, or to pension for the period during which he omitted such payment.

7. By some such arrangement with our own officers, the possibility of correspondence with Native States on the subject might be avoided. Officers might, perhaps, when taking service with Native States, be allowed to elect whether the service is not to count for pension, or whether during such service they will subscribe such a sum as will justify Government in granting pension according to the rates and rules of the service.

8. Any scheme of the kind would apply to future appointments, promotions, and increase of pay. In regard to the past, His Excellency in Council is of opinion that the liabilities might, perhaps, be borne by the British Government. The details necessary to give effect to such a scheme are rather for the consideration of the Financial than of the Foreign Department. His Excellency in Council only deems it necessary to repeat that no separate references to Native States on the subject of absentee allowances or pensions, or the conditions necessary for their enjoyment, can be made, and any rules that are framed must be such as to preclude the necessity for such references.

9. The original papers received with the communications from the Financial Department, noted in the margin, are returned as requested. A copy of the enclosures should be furnished to this office, so soon as they may be printed, to complete the record of the case.

No. 1334, dated 28th February 1870.
,, 2473, ,, 11th April ,,
,, 233, ,, 5th May ,,
,, 719, ,, 28th ,, ,,

No. 571.

Copy of the above forwarded to the Chief Secretary to the Government of Fort Saint George, for the information of the Right Honourable the Governor in Council, in continuation of this department docket, No. 28, dated 3rd October 1870.

(By order,)

(Signed) E. H. H. COLLEN, Lieut., R.A.,
Offg. Asst. Secy. to the Govt. of India.

No. 17. ORDER THEREON, 6th January 1871, No. 12.

Communicated to the Pension Department, to the Resident in Travancore and Cochin, and to the Political Agent at Poodoocottah.

(True Extract.)

Chief Secretary.

To the Civil Pension Department.
,, Resident in Travancore and Cochin.
,, Political Agent at Poodoocottah.

Exd. J. H. Burns.

Govt. of Madras.

FINANCIAL.

No. 1871

THE CIVIL PENSION DEPARTMENT, &c., &c., &c.

Dated January, 6th.

Read.

Encl.

G. O., 6th January 1871, *No.* 12.

JANUARY.
Nos. 16-17.

Communicating the decision of the Government of India on Captain G. Proudfoot's application for increased salary and pension.

5B

Military Department, Fort William, the 14th December 1870.

Extract from the Proceedings of the Government of India in the Foreign Department, (General), No. 1981*G*, *under date the* 23*rd November* 1870.

Read a memorandum from the Military Department, No. 27, dated the 3rd of October 1870, forwarding for an expression of opinion certain papers in original, relative to the case of Captain G. Proudfoot.

OBSERVATIONS.—The Viceroy and Governor General in Council observes that Captain Proudfoot is serving the Nizam, not the British Government, and that if more pay is required for the duties which he performs, or in consideration of efficient service, the increase should be given by the Nizam's Government.

As regards the question of pension, His Excellency in Council considers that it would be contrary to the terms of the recent resolution of this department, on the subject of the pensions of officers lent to native states, to grant a larger sum to Captain Proudfoot on retirement than that to which he may be entitled by strict rule, unless that officer agrees to pay 6 per cent. of his salary to cover the cost.

To Financial Department, No. 376F, dated 16th September 1870.

His Excellency in Council is therefore of opinion that both the claims put forward by Captain Proudfoot should be disallowed.

ORDER.—Ordered that the foregoing observations, together with a copy of the resolution therein referred to, be forwarded to the Military Department, in answer to the memorandum from that department, No. 27, dated the 3rd of October 1870,—the original papers received therewith, being at the same time returned.

(True extract)

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

Office memorandum from C. U. AITCHISON, Esq., Secretary to the Government of India, Foreign Department, to the Secretary to the Government of India, Financial Department,—
(No. 376F, dated Simla, the 16th September 1870.)

In reply to Financial Circular No. 4209, dated 25th October last, the Secretary in the Foreign Department is directed to forward a copy of the papers noted in the margin, and to communicate the following opinion of His Excellency the Viceroy and Governor General in Council in the Foreign Department on the question as it affects native states.

From the Secretary to the Government of the Punjab, dated 9th February 1870, No. 59-169.
From the Agent to the Governor General for Rajpootana, dated 10th February 1870, No. 141G.
From the Officiating Secretary to the Chief Commissioner of British Burmah, dated 11th February 1870, No. 36-2G.
From the Chief Commissioner of Mysore and Coorg, dated 16th February 1870, No. 5661-280F.
From the Acting Chief Secretary to the Government of Fort St. George, dated 21st February 1870, No. 84.
From the Officiating Assistant Secretary to the Chief Commissioner of the Central Provinces, dated 22nd February 1870, No. 510-36.
From the Officiating Agent to the Governor General for Central India, dated 28th February 1870, No. 5F-45.
From the Officiating 1st Assistant Resident at Hyderabad, dated 5th March 1870, No. 160.
From the Secretary to the Chief Commissioner of Oude, dated 25th March 1870, No. 1319.

2. The foreign administrations referred to may be divided into two classes; (1) those which are entirely under the administration of the British Government, such as Mysore and the Berars; and (2) those which are under native administration, with or without the assistance of a British Political Officer.

3. With regard to the former, there need not be much difficulty, as the finances are entirely under the control of the British Government, who alone are the judges of the administrative charges which can properly be debited to the revenues of these provinces.

4. It appears from the returns received under cover of Financial Department's No. 1334, dated 28th February 1870, that both in the Berars and in Mysore, the absentee allowances of all officers are like their salaries already charged wholly against the revenues of these provinces, so that nothing further under this head appears to be required.

5. In respect to pensions of Uncovenanted Servants, the case of Mysore is provided for in Financial Department's No. 1662, dated 1st August 1865. The same rule might with advantage be applied to the Berars. In regard to the pensions of Military and Covenanted Civil Officers who may have served in these provinces, there is no objection to a sum being annually credited to the British Government from the local revenues, equal to the proportion of pension which the British Government pay to the officers concerned for their service in the Berars or Mysore. Should the time ever come when the British Government parts with the control of the finances of these provinces, then special arrangements might be made in one of two ways to meet existing and prospective liabilities for pension: either a special stipulation for an annual payment might be made with the Native Government, or a sum calculated as a proper equivalent for all liabilities might be credited to the British Government before the administration is transferred.

6. In regard to the other class of native states, the question is much more difficult. His Excellency in Council in this department cannot consent to any arrangement which involves a direct demand on the native states either for leave, allowances or for pension, or which will bring the British Government into contact or controversy with native states on the subject. The plan which in the opinion of His Excellency in Council in this Department, appears most feasible, is the following. When an officer is lent to a native state, it should first be determined what is a fair remuneration to himself for the duties he has to perform. When that is settled, there should be added to it such a percentage as on a fair calculation would meet; *first*, the charge to the British Government for absentee allowances; *second*, the charge for pension. The entire sum should be paid by the native state as substantive salary. When the payment is made through a British Treasury, the percentage should be deducted, and only the balance paid to the officer—when the payment is made to the officer direct by the native state, he should be required to pay the percentage to the British Government, or forfeit his claim to allowances when on leave, or to pension for the period during which he omitted such payment.

7. By some such arrangement with our own officers, the possibility of correspondence with native states on the subject might be avoided. Officers might, perhaps, when taking service with native states, be allowed to elect whether the service is not to count for pension, or whether during such service they will subscribe such a sum as will justify Government in granting pension according to the rates and rules of the service.

8. Any scheme of the kind would apply to future appointments, promotions, and increase of pay. In regard to the past, His Excellency in Council is of opinion that the liabilities might, perhaps, be borne by the British Government. The details necessary to give effect to such a scheme are rather for the consideration of the Financial than of the Foreign Department. His Excellency in Council only deems it necessary to repeat that no separate references to native states on the subject of absentee allowances or pensions, or the conditions necessary for their enjoyment, can be made, and any rules that are framed must be such as to preclude the necessity for such references.

9. The original papers received with the communications from the Financial Department, noted in the margin, are returned as requested. A copy of the enclosures should be furnished to this office, so soon as they may be printed, to complete the record of the case.

No. 1334, dated 28th February 1870.
No. 2473, „ 11th April 1870.
No. 243, „ 5th May 1870.
No. 719, „ 28th May 1870.

No. 571.

Copy of the above forwarded to the Chief Secretary to the Government of Fort St. George, for the information of the Right Hon'ble the Governor in Council, in continuation of this department docket No. 28, dated 3rd October 1870.

By order,

Lieut., R. A.,

Offg. Asst. Secy. to the Govt. of India.

No. 572. To the Secy. to Govt., Fort St. George, Military Department.
No. 573. To Captain G. Proudfoot.

Exd. H. de Silva.

Transl.
~~Political~~ Dep.t

From
Offg: Asst: Secretary,
Government of India.
No. 57.

Dy 14: Dec.r/70.
Rd 3: Janry./71.

A.C. No 6

Commg. decision of Govt. of India on Captain G. Pondfoot's application for increased Salary and pension —

To The Pension Department
- " - Resident in Nuvuncoi Hoolan
- " - ~~Government~~ Political Agent at Pondoostan

5 January 1871 No. 12.

Communicated to the Pension Department, to the Resident in Nuvuncoi Hoolan, and to the ~~Government~~ Political Agent at Pondoostan.

With enclosure

Lieut Col Nuthall

Govt. of {1870} Madras.

Judl.

To

The Civil Pension Dept.

Dated Jany. 6

Recd.

Encl.

G. O. 6 Jany. 1870, No. 12.

Nos. 16. 17.

Forwg. the decision of the Govt. of India on Capt. G. Proudfoot's application for increased Salary and pension.