GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

READ—the following paper:—

Proceedings of the Government of India in the Department of Finance and Commerce (Accounts and Finance), dated Calcutta, 2nd January 1884, No. 1.

Read—again the undermentioned papers:—

Resolution in this department, No. 2735, dated the 28th July 1882.
Letter from the Comptroller-General, No. 1060, dated the 7th August 1882.
Letter to all local Governments and Administrations, No. 3144, dated the 19th August 1882.

Read—also the undermentioned replies from the several local Governments and Administrations to the communications from this department, dated the 28th July and the 19th August 1882:—

From the Chief Commissioner of Coorg, No. 1270-36, dated the 30th September 1882.
From the Chief Commissioner of Ajmere-Merwara, No. 824, dated the 14th October 1882, and enclosure.
From the Chief Commissioner, British Burma, No. C.-71 A, dated the 2nd Nov. 1882.
From the Resident, Hyderabad, No. 32, dated the 16th November 1882.
From the Chief Commissioner, Central Provinces, No. 4453-189, dated the 30th Nov. 1882.
From the Government of Bombay, No. 294, dated the 24th January 1883, and enclosure.
From the Chief Commissioner of Assam, No. 342 T., dated the 23rd February 1883.
From the Government of Madras, No. 644, dated the 22nd March 1883, and enclosures.
From the Government of the Punjab, No. 1157, dated the 27th April 1883, and enclosures.
From the Government of Bengal, No. 469 T.F., dated the 4th May 1883.
From the Government of the North-Western Provinces and Oudh, No. 1032, dated the 17th May 1883, and enclosure.

Observations—

In Resolution No. 2735, dated the 28th July 1882, it was pointed out that there was no rule regulating the custody or control of miscellaneous securities (that is, securities in other forms than Government Promissory Notes) held by public officers in trust for some public or quasi-public purpose, or on behalf of Government.

It was therefore proposed to rule that whenever securities of any description are held by any public officer in virtue of his office, the securities shall be held in the name of the office, and further, if possible, that the securities shall be held by two officers and lodged with the Civil Account Officer. The local Governments and Administrations were asked to consider this proposed rule.

Subsequently, in his letter No. 1060, dated the 7th August 1882, the Comptroller-General pointed out certain difficulties in connection with the proposed rule and suggested as follows:—

(*a*) That miscellaneous securities held in trust by public officers should, if conformable to the terms of the trust, be sold out, and that Government securities should be bought with the proceeds.

(*b*) That if such transfer is not conformable with the trust, the public officer should, with the consent of the Official Trustee, take measures to have him appointed (section 10, Act XVII of 1864), and, if the Official Trustee does not consent, that he should refuse the trust.

These suggestions were also circulated to local Governments and Administrations with letter from this department, No. 3144, dated the 19th August 1882.

After a careful consideration of the replies received from the several local Governments and Administrations, the Governor-General in Council is pleased to prescribe the following rules regarding investments in securities, of funds held in trust by public officers for some public or quasi-public purpose, or on behalf of Government :—

I.—Subject to the exception referred to in Rule III, all investments in securities of trust funds held by a Government officer for a public or quasi-public purpose, such as the maintenance of a dispensary, school or the like, shall be made in Government Promissory Notes only, and all securities other than Government Promissory Notes now held in trust for such purposes by any Government officer in virtue of his office, and all such securities which may hereafter come into his possession, shall be converted into Government Promissory Notes.

II.—All trusts for such purposes as those indicated in Rule I shall, subject to the exception stated in Rule III, stand in two names, and, instead of the personal name of an officer of Government, his official designation shall, if possible, be employed. All securities held under such trusts will, subject to the same exception, be dealt with in accordance with the provisions of Resolution by the Government of India in the Financial department, No. 276, dated 30th April 1880. The local Governments concerned should go through the lists of endowments, which have been several times published under the resolution referred to, and declare which of the trusts represent permanent endowments, and should issue orders to the Accountants-General that securities appertaining to such permanent endowments are not to be sold or given up without the orders of Government. The local Government should also, in the case of any trust at present standing in the name of one officer only, issue instructions declaring what second officer should be associated in the trust.

III.—If in any case owing to any legal or other difficulty the orders prescribed in Rules I and II cannot be carried out, or if in any case it is not considered desirable to carry them out, the facts of the case should be reported to the local Government, and the local Government should, by special orders, make such arrangements as may be necessary to protect the interests of Government and to secure the safety of the trust funds or securities.

The local Government should consult the law officers in each case, before taking action under Rules I and II, and also on any other question that may arise, and may, if necessary, direct, when it is legally open to it to do so, that the trust be declined.

Order—

Ordered, that this resolution be communicated for information and guidance as follows :—

To the Home department.
To the several local Governments and Administrations.
To the Comptroller-General.
To the several Accountants-General and Comptrollers.

(Signed) J. F. FINLAY,
Offg. Under Secy. to the Govt. of India.

ORDER—dated 14th January 1884, No. 94, Financial.

Communicated to all departments of the Secretariat.

(True Extract.)

J. D. REES,
Acting Under Secy. to Govt.

To the Departments of the Secretariat.

Exd. T. O'Connor.

Govt. of {1884} Madras.

FINANCIAL.

Issued

Recd. *Encl.*

G.O., 14th January 1884, No. 94.

No 30 5 W a/s 5th February 1884

JANUARY.

Miscellaneous Securities.

Communicating to all departments of the Secretariat resolution of the Government of India prescribing rules for the custody and control of miscellaneous securities held in trust by public officers for some public or quasi-public purpose or on behalf of Government.