

14TH JULY 1891, No. 593, FINANCIAL.

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

READ—the following paper :—

Despatch from the Right Honourable Lord CROSS, Her Majesty's Secretary of State for India, to His Excellency the Most Honourable the Governor-General of India in Council, dated India Office, London, 14th May 1891, No. 53 (Public).

I have considered in Council the letter of your Government, No. 13, dated 11th of March last, submitting for orders certain matters relating to the question of the connection of officers of Government with Banks and Public Companies.

2. In consequence of the instruction contained in the third paragraph of my despatch (Financial), No. 25, dated 7th of February 1889, your Excellency in Council caused inquiries to be made in the various Provinces as to what officials were serving as Directors of Banks or Public Companies; and you now report to me that, as the result of those inquiries, certain officers have relinquished Directorships which they held.

3. As recommended by you in paragraph 3 of your letter, I sanctioned the retention by certain other officers of the Directorships now held by them, the circumstances in each case being exceptional.

4. With reference to the general question as to the Solicitors to Government at the Presidency towns, I feel that there is force in the representations made by Messrs. Upton and Barclay; and I agree that the Solicitor to Government at Calcutta, the Solicitor to Government at Madras, and the Solicitor to Government at Bombay, may be permitted to serve as Directors of Companies, so long as the public service in no way suffers and the interests of the Companies are not antagonistic to those of the Government. The like rule may be applied to Government Pleaders, such as those at Faridpur and Lohardaga, whom you mention, and to Diocesan Registrars, Crown Prosecutors, and Coroners.

5. As regards the questions dealt with in the fourth and fifth paragraphs of your letter, my despatch of the 7th of February 1889 was written with special reference to the appointment of a Director of a Presidency Bank, and it was not my intention to cancel or alter any orders contained in Lord Kimberley's despatch, No. 73, dated 19th July 1883. I accordingly approve the views expressed in your Home Secretary's letter of the 29th of November last to the Government of Bombay.

No. 17-Pub.—1100.

Copy, with copy of despatch to Her Majesty's Secretary of State, No. 13, dated 11th March 1891, forwarded to the Government of Madras for information and guidance, with reference to the correspondence ending with the letter from that Government, No. 524, dated 13th August 1889.

(By order.)

HOME DEPT., PUBLIC,
SIMLA, 26th June 1891.

(Signed) J. P. HEWETT,
Depy. Secy. to the Govt. of India.

ENCLOSURE.

Despatch from the Government of India, Home Department (Public), to the Right Honourable the Secretary of State for India, dated Calcutta, 11th March 1891, No. 13.

In the despatch marginally noted, your Lordship conveyed to us your decision that no officer holding a permanent appointment under Government, whether pensionable or not, should be permitted to serve as a Director of any Bank or Public Company without previous reference to the Secretary of State for India. We circulated this despatch to the Local Governments and Administrations in June 1889, and asked to be informed of any cases in which officials were serving as Directors of Banks or Public Companies in contravention of this ruling.

2. We now forward copies of the papers entered in the enclosed list, which show the results of our inquiries.

In Madras, besides Mr. R. B. Michell, Senior Professor of Law in the Presidency College, who was permitted in your Lordship's despatch, No. 25 (Financial), dated 7th February 1889, to accept the appointment of Director of the Bank of Madras, Mr. E. Barclay, Government Solicitor, Mr. F. Rowlandson, Registrar of the Diocese, and Mr. W. Grant, Crown Prosecutor, are Directors of Companies.

In Bombay, the only case reported is that of Mr. T. Blaney, Coroner of Bombay, who is a Director of three Public Companies.

The Solicitor to Government at Bombay, though not a Director at present, contends that he is not debarred from serving in this capacity. The Local Government, however, is of opinion that, as the Solicitor's duties are closely connected with the general administration, and as his duties as Director of a Public Company are likely to clash with his duties as a public servant the prohibition ought to be maintained in his case.

In Bengal, the Secretaries to the Local Government in the Financial and Public Works Departments are *ex-officio* Government Directors of the Darjeeling-Himalayan Railway; Mr. R. L. Upton, Solicitor to Government, is a Director of several Companies; Mr. C. H. Reilly, Registrar of the Diocese and in receipt of a retaining fee as Assistant Secretary in the Legislative Department, is a Director of the Calcutta Branch of the Universal Life Assurance Company; Babu Jogendra Nath Ghose, Demonstrator of Anatomy in the Campbell Medical School, and Babu Behari Lal Chandra, Special Sub-Registrar of the 24 Parganas, are Directors of the Hindu Family Annuity Fund and the Bengal Christian Family Pension Fund, respectively; several Ministerial Officers serving in the Pubna, Tipperah, Dacca, Faridpur and Hazaribagh districts are Directors of Banks, Loan Offices and Carrying Companies in those districts; and two Government Pleaders in the Faridpur and Lohardaga districts are Directors of the Faridpur Loan Office and the Chutia Nagpur Carrying Company, Limited. The Administrator-General has been permitted by us to be a Director of the Bank of Bengal.

In the North-Western Provinces and Oudh, Babu Nain Sukh, Head Clerk of the Assistant Adjutant-General's Office at Meerut, was serving as a Director of the Meerut Bank, but he has, in compliance with our orders, resigned the Directorship.

In the Central Provinces, Babu Jiwan Chandra Mukerji, Professor of Physics in the Jubbulpore College, who was holding a Directorship on the Board of the Gokuldass Cotton Manufacturing Mills at Jubbulpore, was also required to resign the Directorship.

In Burma there were four officers who were serving as Directors of the Burma Building Association Company, Limited. Their names, and the appointments held by them under Government, are noted on the margin. One of them, Mr. Dawson, has since died, and the other three gentlemen have of their own accord resigned their positions as Directors of the Association.

Mr. C. F. Ansted, Superintendent, Currency Office.
Mr. P. G. Clague, Superintendent, Comptroller's Office.
Mr. J. Dawson, Superintendent, Public Works Secretariat.
Mr. W. F. Godfrey, Head Accountant, Public Works Department.

In the Punjab, Assam, Coorg and Hyderabad, no officials are serving as Directors of Banks or Public Companies.

3. The cases of the Solicitors to Government at Madras and Calcutta, of Messrs. Rowlandson and Reilly, who are Registrars of the Dioceses of Madras and Calcutta respectively, of Mr. Grant, Crown Prosecutor at Madras, of Dr. Blaney, Coroner of Bombay, and of the Administrator-General of Bengal, require Your Lordship's sanction under the orders contained in your despatch of the 7th February 1889. We think that there is great force in the representations of Messrs. Barclay and Upton that the Solicitors to Government should be permitted to become Directors of Companies, and we have no objection to any of the other officers just mentioned retaining their Directorships. We therefore recommend that sanction should be granted in each case. The Government Pleaders at Faridpur and Lohardaga stand on a similar footing to the Solicitor to Government, and should in our opinion also be permitted to retain their Directorships.

4. The orders contained in the 4th paragraph of Lord Kimberley's despatch, No. 73 (Public), dated the 19th July 1883, permit public servants to engage in the management of Associations for the purpose of mutual supply and not of trade and trade profit, provided that such employment is not prejudicial to their work as Government servants. Your Lordship will see that we have received through the Bombay Government a letter from the Eurasian and Anglo-Indian Association of Western India inquiring whether Government officials are debarred from serving as Directors or Secretary to that Association under the orders contained in your Lordship's despatch of the 7th February 1889, and requesting that, should this be the case, the Eurasian and Anglo-Indian Deposit and Loan Society, Limited, might be exempted from the operation of the orders in question. We informed the Bombay Government that we see no objection to public servants taking part in the direction of the Eurasian and Anglo-Indian Deposit and Loan Society, so long as the Local Government is satisfied that the conditions laid down in Lord Kimberley's despatch are fulfilled. Other Associations of a similar character of which Government servants either are, or have recently been, Directors, are—

The Hindu Family Annuity Fund.
The Bengal Christian Family Pension Fund.
The Services Co-operative Association, Limited, Rangoon.
The Burma Building Association Company, Limited.

We do not feel certain that it may not have been your Lordship's intention to cancel by the orders of 7th February 1889 the concession made by Lord Kimberley in 1883, and we shall be glad if your Lordship will inform us whether the views expressed in our Home Secretary's letter of 29th November last to the Government of Bombay are in accordance with your wishes in the matter.

5. In some districts Ministerial Officers are Directors of local Banks and Loan Offices. These officials would be eligible to hold Directorships under the 5th paragraph of Lord Kimberley's despatch of the 19th July 1883, but it seems to us to be doubtful whether these orders are not superseded by the latter ruling of the 7th February 1889. We would, however, recommend that in such cases the orders of July 1883 should be maintained.

ORDER—dated 14th July 1891, No. 593, Financial.

Recorded, and communicated to the Government Solicitor and to Messrs. Michell, Rowlandson and Grant.

(True Extract.)

J. F. PRICE,
Chief Secretary.

To the Government Solicitor.

„ R. B. Michell, Esq.
„ F. Rowlandson, Esq.
„ W. Grant, Esq.

Copy to Departments of the Secretariat.

Exd. A. Raitt.

Gobt. of {1891} Madras.
FINANCIAL.

Issued

Recd.

Encl.

G.O., 14th July 1891, No. 593.

JULY.

Connection of Officers of Government
with Banks and Public Companies.

Recording, and communicating to certain officers,
despatch from the Secretary of State containing
orders on certain matters relating to the question
of the —.

No. 2117 w 2/8 August 1891

Recorded.

(2d) J. P.
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