M.R.O. 1—38,000—16-10-29.

MADRAS RECORD OFFICE.

Government of Madras.

Political DEPARTMENT.

G.O. No. 55 Press ~~Mis.~~

Dated 19— 2— ~~19~~ 1863

4-5

Not to be folded or roughly handled

17/2/30

Proceedings of the Madras Government Political Department,
19th February 1863.

No. 26. Read the following Proceedings of Government in the Revenue Department, dated 12th February 1863, No. 320.

Communicating the Resolution of the Government of India, on the subject of Government Servants holding lands and engaging in speculations in India. (Vide Proceedings Revenue Department, dated 12th February 1863, Nos. 195 and 196.)

No. 27. ORDER THEREON, 19th February 1863, No. 55.

To be recorded.

(Signed) A. J. ARBUTHNOT,
Chief Secretary.

Exd. T. O'Connor.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

Read the following Extract from the Proceedings of the Right Honorable the Governor General of India in Council, in the Home Department (Revenue), under date the 16th January 1863, No. 454.

Read the following papers on the subject of Government servants holding lands and engaging in speculations in India:—

Revenue Despatch from Secretary of State, No. 22 of 1861, dated 10th August.

Ditto ditto to ditto, No. 16 of 1861, dated 1st October.

Ditto ditto from ditto, No. 29 of 1861, dated 30th November.

Resolution of the Government of India, dated 14th January 1862.

Letter from the Government of Bombay, No. 323, dated 28th January 1862.

Minutes by the Governor General and the Members of Government thereon, recorded on Public Proceedings of the 11th March 1862, Nos. 10 to 13.

Letter to Government of Bombay, No. 1,421, dated 11th March 1862.

Public Despatch to Secretary of State, No. 23 of 1862, dated 11th March.

Letter from Secretary to the Landholders' and Commercial Association, dated 31st March 1862, and its enclosed Memorial addressed to the Secretary of State, praying that the Covenanted and Military Servants of Government may be permitted to purchase and hold lands in India without any restriction.

Revenue Despatch to Secretary of State, No. 9 of 1862, dated 12th April.

Letter from Government of Madras, No. 537, dated 11th March 1862.

Minutes by the Governor General and the Members of Government thereon, recorded on Revenue Proceedings of the 8th May 1862, Nos. 2 to 7.

Revenue Despatch to Secretary of State, No. 10 of 1862, dated 8th May.

Public Despatch from Secretary of State, No. 46 of 1862, dated 31st May.

Ditto ditto to ditto ditto, No. 59 of 1862, dated 18th July.

Revenue Despatch from ditto ditto, No. 22 of 1862, dated 25th November.

RESOLUTION.

In his Despatch No. 46, dated 31st May 1862, the Secretary of State observes that, as a general Rule, there is no objection to Government Servants holding, under certain restrictions, shares in Mining or other Companies having for their object the development of the resources of the country. In the recent Despatch dated the 25th of November, Sir Charles Wood states that the question raised by the Landholders' and Commercial Association was fully considered when his Despatches No. 22, dated 10th August, and No. 29, dated 30th November 1861, were under preparation, and he sees no reason to modify the instructions conveyed therein. He also communicates instructions on the points submitted by the Government of Madras relative to a Civilian holding shares in a Joint Stock Company formed for Agricultural purposes in his own Presidency, and in regard to a Madras Civilian holding land in Mysore, Coorg, Cochin or Travancore; or becoming a shareholder in a Company formed for holding or cultivating land in those Territories.

Resolved that the following Notification be published in the *Calcutta Gazette*:—

No. 383.

FORT WILLIAM,

HOME DEPARTMENT.

REVENUE.

The 16th January 1863.

NOTIFICATION.

The following orders passed by the Right Honorable the Secretary of State for India are published for general information, in continuation of the Notification, No. 241, dated the 14th January 1862, published in the *Calcutta Gazette* of the 15th idem:—

1.—*Extract from the Secretary of State's Public Despatch No. 46, dated 31st May* 1862.

Para. 2.—You will have learned from my Despatch to the Government of Bombay, dated the 8th April last, No. 11, that, in connection with the orders of that Government of the

26th November 1861, relative to the case of Public Officers who might take part in any Company formed for working the Gold Mines in the Dummul Hills, I stated that, "as a general Rule, I see no objection to servants of Government holding shares in Mining or other Companies having for their object the development of the resources of the country; and the only restriction I think it necessary to impose, is, that public servants shall take no part in the management of such Institutions, and shall not be employed in the Districts where the operations of the Company may be carried on."

3.—With the exception of the concluding proviso, that no Public Officer shall be employed in any District where any Company, in which he holds shares, may carry on its operations, the sentiments above expressed are in accordance with the opinions recorded by Earl Canning and the several Members of your Council; and, as I think it important that this condition should be maintained, I have to direct that my decision, communicated in the terms above quoted to the Government of Bombay, may be made generally applicable, and may be published for general information.

4.—There can be no doubt as to the great evil of public servants in India engaging in speculations in the public funds, or in the shares of Joint Stock Companies; but I agree in the opinion of Lord Canning that such a practice, on the part of any Officer, could not long escape the knowledge of Government, and that it would be in the power of Government to mark its sense of such conduct, either by withholding promotion, or in any other way it might deem fit.

II.—*Extract from the Secretary of State's Revenue Despatch No. 22, dated 25th November 1862.*

Para. 3.—In your letter of the 8th May (No. 10) you request to be informed whether a Covenanted Civilian may hold shares in a Joint Stock Company formed for Agricultural purposes, such as Tea, or Coffee cultivation, in his own Presidency. This question is sufficiently answered in my Public Despatch of the 31st May (No. 46) 1862, which you would have received shortly after the date of your reference.

4.—As regards the question whether a Covenanted Madras Civilian may hold land in Mysore, Coorg, Cochin or Travancore, I agree with your Government in viewing with disapproval the holding by Covenanted Civil Servants of lands in Native States; and I consider that the same objection applies to the holding of such lands by Military Officers in the actual service of the Crown in India.

5.—The right of Officers, Civil or Military, to hold shares in the Agricultural Companies operating in Native States, may be regulated by the same Rules as apply to their holding shares in similar Companies within the British Territories.

(Signed.) E. C. BAYLEY,
Secy. to the Govt. of India.

Ordered, that a copy of the foregoing Resolution be forwarded to the Government of Bombay, with reference to their letter No. 323, dated 28th January 1862, and the reply to it, No. 1,421, dated 11th March 1862; to the Government of Madras, with reference to their letter No. 537, dated 11th March 1862; and to the Governments of Bengal and the North-Western Provinces, as well as the Straits Settlement, and the Military and Public Works Departments for information; and to the Foreign Department for information and for communication to the Government of the Punjab, the Chief Commissioners of Oude, Central Provinces and British Burmah; the Commissioner of Mysore, and to such other Officers under the control of that Department as may be deemed necessary.

Ordered also, that a copy of paragraphs 1 and 2 of the Despatch dated the 25th November 1862, No. 22, be forwarded to the landholders' and Commercial Association, with reference to their Secretary's letter dated the 31st March 1862.

(True Extract.)

(Signed.) A. M. MONTEATH,
Under Secy. to the Govt. of India.

ORDER THEREON, 12th February 1863, No. 320.

Ordered to be communicated to the several Departments of the Secretariat and to the Board of Revenue.

(True Extract.)

Secretary to Government.

To the Board of Revenue.
" Public, &c., Departments.
" Judicial do.
" Political do.
" Department Public Works.
" Military Department.

Exd. S. T. Augustin.

Letr. of 24 Febry.

Pol. 1863 Dpt.

Proc. of Govt. in the Rev. Dpt. 320

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Hospe Copies
No. 69

Comg the Resolution of the Govt. of India on the subject of Govt. servants holding lands and engaging in speculations in India.

19 February 1863 No. 55

Recorded

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