

Public (1896) Department.

ORDINARY PRINTED.

G.O., No. 1251

DATED 25-11-96

INDEXED.

[Despatch Abstract.]

Rules relating to the conduct of Govt servants.

Notifying that the ruling and prohibition contained in the Govt of India Resolution of 16th Aug 1890 No. 2-R-87-103 in regard to money being lent ~~to~~ by Government and Statutory civil servants and officers of the Provincial and Subordinate Executive and Judicial Services shall be held applicable to loans to Europeans or Eurasians equally with natives, irrespective of the fact that the lender merely acts as a trustee under a marriage settlement or that money was lent on the security of a house in a hill station or other town.

G.O.	No.	Department.	Date.	G.O.	No.	Department.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.
C.N. 4269 of 1951 - 8072				23-1-57.		

செபிபவிடுவந் பெயர்
செப்பலுவதற்காக எடுத்த
கொள்ளப்பட்ட நாள் 1996
செப்பட்டு முடிந்த நாள் 1996

சரிபார்க்கும்
மு. பா. எ.
கையொப்பம்

மாண்புமிகு
கையொப்பம்

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Government (1896) of Madras.
PUBLIC.

<i>Recd.</i>	} 1896.	<i>Enclosures</i>
<i>Regd.</i>		<i>Spare copies</i>

G.O., No. 1251, 25th November 1896.

NOVEMBER.

Rules relating to the conduct of Government Servants.

Notifying that the ruling and prohibition contained in the Government of India Resolution of 16th January 1890, No. 2-R.—87-103, in regard to money being lent by Covenanted and Statutory Civil Servants and officers of the Provincial and subordinate Executive and Judicial services, shall be held applicable to loans to Europeans or Eurasians equally with natives, irrespective of the fact that the lender merely acts as a trustee under a marriage settlement or that money was lent on the security of a house in a hill station or other town.

GOVERNMENT OF MADRAS.

PUBLIC DEPARTMENT.

READ—the following paper:

From the Secretary to the Government of India, Home Department (Public), dated Simla, the 28th October 1896, No. 1708.

ORDER—No. 1251, Public, dated 25th November 1896.

By its Resolution, No. 2-R-87-103, dated 16th January 1890, the Government of India extended to all uncovenanted officers in the subordinate Executive and Judicial services the ruling, under which Covenanted Civil Servants and members of the Statutory Civil Service are prohibited from lending money, directly or indirectly, to any proprietor or farmer of land, or dependent taluqdar or under-farmer, or raiyat, or their sureties; and prohibited such officers from lending money at interest, whether directly or through relatives or other agents, to landholders, with or without security, within the province in which they are employed.

2. The Government of India has now directed that the foregoing ruling and prohibition shall be held applicable to loans to Europeans or Eurasians equally with natives and considers that the fact that the officer lending the money is acting as a trustee under a marriage settlement, without profit or advantage to himself, in no way affects the prohibition.

3. The question having been raised as to whether the owner of house property in a hill station or other town is included in the terms "proprietor of land" or "land holder", the Government of India, in view of the doubt as to how the Courts might interpret the law (contained in section 2 of Bengal Regulation XXXVIII of 1793 which was reproduced in section 2 of Madras Regulation XIX of 1802) if the case of an Indian Civil Servant lending money on the security of a house came before them, is of opinion that it would not be safe for an Indian Civilian to lend money on such security. This view must, in accordance with the Resolution of 16th January 1890, be held to apply equally to such loans by officers of the Provincial and subordinate Executive and Judicial services.

(True Extract.)

A. T. ARUNDEL,
Ag. Chief Secretary.

To all Members of the Indian Civil Service (Madras.)
" Departments of the Secretariat.
" Heads of Departments under the Chief Secretary.
Gazette.

Encl. A. Raitt.

No. 1708.

FROM

J. P. HEWETT, Esq., C.I.E.,

Secretary to the Government of India,

TO

THE CHIEF SECRETARY TO THE GOVERNMENT OF
MADRAS.

Home Department.
Public.

Simla, the 28th October 1896.

SIR,

I AM directed to acknowledge the receipt of your letter No. 769, dated the 24th July 1896, requesting that the Government of India will reconsider, and, if necessary, refer to the Secretary of State for final decision, the question whether the prohibition in section 2 of Bengal Regulation XXXVIII of 1793 and in the corresponding section of Madras Regulation XIX of 1802 applies both to covenanted and uncovenanted officers lending trust-money as trustees under marriage settlements.

2. In reply I am to observe that the Bengal and Madras Regulations and the Home Department Resolution of 16th January 1890 applied to lending money to landholders of various descriptions; and though the Regulations no doubt primarily had the case of native landholders in view, their terms appear to cover that of a European or Eurasian proprietor or farmer of agricultural land, and the Government of India do not think it is desirable to remove the prohibition against lending to such persons.

3. The question which the Government of Madras were understood to refer in their letter No. 888, dated 25th October 1895, was whether the prohibition against public servants lending money to proprietors or farmers of land ceased to operate in the case of public servants who lend money purely as trustees under marriage settlements, without any profit or advantage to themselves. The Government of India in reply expressed their opinion that the prohibition in the Regulations does apply to such a case; and as the Resolution of 16th January 1890 was meant to extend the rule contained in the Regulations to uncovenanted officers, the latter are subject to the same disability. I am to add that the Government of India would not be in favour of relaxing the existing rules so as to allow Government servants who are trustees to lend trust-money to proprietors, farmers, etc., of agricultural land, whether Native, Eurasian or European.

4. The Government of Madras now enquire whether the Regulations and the Resolution forbid such transactions as, say, loans to a European at Simla on the security of house property there. This appears to be an entirely separate question, and not dependent either on the nationality of the owner of the property or on the nature of the funds lent. The question is whether the terms "proprietor of land" or "landholders," used in the Regulations and the Government of India Resolution respectively, cover the case of an owner of house property in a hill station or other town. The Government of India agree with His Excellency in Council in thinking that it was probably not the intention of the Regulations to apply to such cases; but it is not possible for them to say how the law would be interpreted by the Courts if a case of an Indian Civil Servant

lending money on the security of a house came before them. It would not, in the opinion of the Governor General in Council, be safe for an Indian Civilian to do so. Under these circumstances the Resolution of 16th January 1890 must equally be held to prohibit such loans by officers of the Provincial and Subordinate Executive and Judicial services. The Government of India do not think that there is any point which could be referred to the Secretary of State as suggested by the Local Government; and I am to say that they are unwilling to amend the law, as it is not considered to be desirable to encourage the investment of trust-money in house property by trustees who are Government servants.

I have the honour to be,

SIR,

Your most obedient Servant,

J. P. Hewitt

Secretary to the Government of India.

Public (1896) Department.

And circ.

For orders, with refce to the
notices in G.O. 768. 9, dt 24. 7. 96,
whether any further repre-
sentation is to be made.
If not, it is proposed to formu-
late a rule for the guidance
of all officers, covenanted
or not.

CURRENT No. 362

From the Govt of India
Home. (Public)

353

5-11-96

NOTE

The G.O. considers that the rules

contained in Royal Decree XXXVIII of 1793,

Madras Reg. XIX of 1802 & G.O. Resolutions

of 16th Jan 1890, whereby covenanted to

incovenanted officers are forbidden to lend

to landholders, (though no doubt ~~the~~

primarily intended to apply only to native

landholders) cover the cases of loans to

landholders whether Native, European or

European, & does not think it desirable

to remove the prohibition against lending

to landholders of the latter two classes.

2. It is also ruled that the fact

that the public servants lending the

money does so as ^{only} trustees under

a marriage settlement, & without profit

or advantage to himself, does not

affect the case. The G.O. are now

preparing to relax the rules in these cases.

No. 1208.

Dated 28-10-96

Received 1-11-96

Registered 3-11-96

Enclosures —

Spare copies. 7 of the current.

SUBJECT.

Replying to letter no. 769 of
24-7-96 re covenanted and
incovenanted officers lend-
ing trust-money as trustees
under marriage settlements.

BACK PAPERS.

G.O.	No.	Department.	Date.
	768-9	Pub	24-7-96
	888		25-10-96
	60		30-1-90
	Bengal Regulation 38 of 1793		
	Madras 19 of 1802		
	Blue pamphlet re conduct of Public servants		

FURTHER PAPERS.

G.O.	No.	Department.	Date.

The question as to whether the
 "propriety of land" or "law
 order" cover the case of an
 owner of house property in a hill
 station or other town, the Govt.
 agree with this fact. That it
 is probably not intended that the
 Regn. shd. be so construed, but being
 doubtful as to how Courts would
 interpret the terms, it is not
 safe to leave for an Indian Civilian

to lend money to such persons.
 The Govt. I. thinks there is no necessity
 for the Govt. to be so much
 cf. to the S. of S. & is
 unwilling to alter the law.
 I am unable to remove the law.

4. Submitted that under these
 circumstances, nothing further can be
 done, and that a rule shd. be
 formulated & published, embodying
 the conclusions stated by the Govt.

Sd/-
 6/11/96

Att.
 7.11.96

BS 6 28
 10/11/96
 11/11/96
 A.H. 13.11.96

[G.O.]
 20-10-96.

DEPARTMENT.

Papers to be read in proceedings:--

Again G.O., dated

189 , No.

Again G.O., dated

189 , No.

Current No. 3655

of 1896, dated 28/10, from the Govt. of India, No. 1.

" "

" 189 , " "

" "

" 189 , " "

ORDER. No 12518/25-11-96
 A

By its Resolution No. 2-R-27-
 103, dated 16th January 1896 the Govt.
 of India extended to all uncovenanted
 officers in the subordinate executive
 and judicial services the ruling, under
 which covenanted Civil Servants and
 members of the Statutory Civil Service
 are prohibited from lending money,
 directly or indirectly, to any pro-
 prietor or farmer of land, or to any
 rent, taluqdar or under-taluqdar, or to any
 or their sureties; and prohibited such
 officers from lending money at in-
 terest, whether directly or through
 relative or other agents, to landholders
 with or without security, within the
 province in which they are employed.

The Govt. of India has now
 directed that the foregoing ruling and
 prohibition shall be applied to all
 loans to Marwatis or Marwatis, or to
 with relatives and considering that it
 fact that the officers lending money

AD
 23/11/96

2. The question having been raised as to whether the owner of house property in a mill station or other town is included in the terms "pro-

2/4
19/4/96

GAZETTE. 8/12/26

$\left[\frac{G}{84} \right]$
200-17-6-4

List showing the distribution of the Proceedings of Government
No. 1257 dated 25-11-96

- Only fresh orders as applicable

EDUCATIONAL.

Director of Public Instruction
 Commissioner for Government Examinations
 Superintendent, Government Museum

THE DISTRICT MAGISTRATE OF

Anantapur
 North Arcot (Chittoor)
 South Arcot (Cuddalore)
 Bellary
 South Canara (Mangalore)
 Chingleput (Saidapet)
 Coimbatore
 Cuddapah
 Ganjam (Chatrapur)
 Godavari (Uccanada)
 Kistna (Masulipatam)
 Kurnool
 Madura
 Malabar (Calicut)
 Nellore
 Nilgiris (Ootacamund)
 Salem
 Tanjore
 Tinnevely
 Trichinopoly
 Vizagapatam

THE DISTRICT AND SESSIONS
 JUDGE OF

North Arcot (Chittoor)
 South Arcot (Cuddalore)
 Bellary
 South Canara (Mangalore)
 Chingleput
 Coimbatore
 Cuddapah
 Ganjam (Berhampore)
 Godavari (Rajahmundry)
 Kistna (Masulipatam)
 Kurnool
 Madura
 North Malabar (Tellicherry)
 South Malabar (Calicut)
 Nellore
 Nilgiris (Ootacamund)
 Salem
 Tanjore
 Tinnevely (Palamcottah)
 Trichinopoly
 Vizagapatam