M.R.O. 14—10,000—21-4-22.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 616

19-25

Press
~~Mis.~~

Dated 23-4- 1860.

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, for the month of April 1860.

Read the following papers :—

No. 19. Proceedings of the Board of Revenue, dated 19th March 1860, No. 1,396.

Read letter from the Collector of Sea Customs, Madras, dated 9th March 1860, No. 159.

(In Con. 13th March 1860, No. 1,161.)

Dated 7th April 1857, *No.* 1,086.
" *19th June* 1857, *No.* 2,100.

In their Proceedings quoted in the margin, the Board of Revenue brought under the consideration of Government the objectionable manner in which Mr. Underwood was remunerated for his duties as Collector of Sea Customs, viz. partly by a fixed salary and partly by a commission of 3 per cent. on the net Collections of Customs Duties at Madras.

29th May 1857, *Revenue Department, No.* 512, *in Con. 30th May* 1857, *No.* 2,037.
4th July 1857, *Revenue Department, No.* 677, *in Con. 15th July* 1857, *No.* 2,651.

2. The Government concurred with the Board, and ultimately it was arranged that Mr. Underwood should receive Rupees 1,600 monthly in commutation of the latter item of his emolument. The average Commission of the two years preceding the change was Rupees 1,603 monthly and the commutation was fixed at Rupees 1,600.

3. Mr. Underwood now points out that he will be a loser to a considerable extent by this arrangement, the net revenue from Sea Customs having steadily increased ever since, and that his hardship is enhanced by his compulsory retirement in consequence of his having completed 35 years' service.

4. As regards the latter argument, the Board admit that it was not taken into consideration by them when proposing the alteration in Mr. Underwood's remuneration. It in reality did not affect the question then; and, moreover, at that time it was doubtful whether the rule would be enforced against Officers for whom Annuities were not available. This was Mr. Underwood's position at the time, though the recent grant of Extra Annuities has since afforded one for his acceptance.

Paragraph 23, *Board's Proceedings, 7th April* 1857, *No.* 1,086.

5. As regards the other argument the Board observe that they never intended that the alteration should involve loss to Mr. Underwood. In paragraph 3 of their Proceedings, dated 19th June 1857, they stated that their object "was *not* to deprive him of any portion of his emoluments." Their wish was to place him in "the independent and impartial position which he should (occupy) between Government and the Mercantile Community," and to prevent his proceedings, however correct and just they might be, from being imputed to a personal interest in their issue. In these views Government concurred and the fees were commuted accordingly.

Enclosure in from Government, dated 9th March 1844, *Revenue Department, No.* 209, *in Con. 25th March* 1844, *No.* 607.

6. Thus loss to Mr. Underwood was neither contemplated nor intended, and in fact any arrangement involving loss was wholly precluded by the Honorable Court's Despatch, dated 29th November 1843, No. 22, and quoted in the margin, which secured him during his tenure of Office.

7. Under these circumstances, and especially with reference to the above Despatch, the Board recommend that Mr. Underwood's application may be complied with, and that the Civil Auditor may be instructed on his retirement to adjust his salary accordingly.

8. The arrangement thus disturbed has so far answered its purpose, that Mr. Underwood has occupied the position desired for him during the interval, and this will cease to be the case only when Mr. Underwood vacates the appointment. His successor, as already ordered, will receive a consolidated salary only.

9. Mr. Underwood has not given the probable amounts of the Refund and the Board have not thought it necessary to call for a statement until they are in possession of the views of Government.

(A true Extract.)

(Signed) J. D. SIM, *Secretary.*

No. 20. Memorandum from E. F. HARRISON, Esq., Civil Auditor, to J. D. BOURDILLON, Esq., Secretary to Government, Revenue Department, dated 31st March 1860, No. 102.

The Civil Auditor has the honor to annex a Memorandum of the amount of Salary and Commission drawn by Mr. E. Underwood, since his appointment to be Collector of Sea Customs, as requested in the Memorandum from the Secretary to Government in the Revenue Depart-

Memorandum of the amount of Salary and Commission drawn by Mr. Underwood for each month, since his appointment as Collector of Sea Customs, Madras.

Year.		January.			February.			March.			April.			May.			June.		
		Rs.	A.	P.	Rs. from 12th to 28th.	A.	P.	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.
1841	Salary.........	...	...	...	1,092	13	9	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...
	Commission...	...	...	...	427	13	0	1,035	13	2	836	10	...	572	14	0	628	8	11
1842	Salary.........	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...
	Commission...	798	3	3	671	6	7	907	5	4	537	15	10	833	8	4	778	15	9
1843	Salary.........	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...
	Commission...	358	3	5	491	3	9	762	3	10	1,061	10	5	767	15	10	1,235	8	4
1844	Salary.........	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...
	Commission...	746	7	6	655	2	2	994	7	8	594	1	11	1,976	13	3	1,710	13	7
1845	Salary.........	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...
	Commission...	2,796	4	9	2,150	0	2	1,209	3	8	1,585	2	7	1,570	9	8	1,240	9	4
1846	Salary.........	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...
	Commission...	1,964	15	4	1,376	6	0	1,551	9	8	1,813	...	...	1,397	4	0	1,305	6	11
1847	Salary.........	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...
	Commission...	1,900	6	9	1,213	9	3	1,957	13	1	1,234	6	7	597	10	6	1,176	12	6
1848	Salary.........	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...
	Commission...	2,502	3	8	1,647	8	10	1,214	1	6	1,204	13	3	1,323	4	6	798	8	9
1849	Salary.........	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...
	Commission...	1,736	13	7	1,436	13	7	1,749	4	4	1,598	12	2	917	2	3	1,170	0	9
1850	Salary.........	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...
	Commission...	1,778	6	3	1,446	0	7	1,100	11	2	1,105	0	4	1,800	9	8	1,009	13	10
1851	Salary.........	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...
	Commission...	1,638	12	0	1,639	10	3	1,290	13	1	882	7	4	1,188	12	9	1,779	3	10
1852	Salary.........	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...
	Commission...	1,893	12	0	1,642	15	9	1,370	10	5	998	6	2	941	11	8	1,834	1	7
1853	Salary.........	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...
	Commission...	2,142	2	10	1,177	8	3	769	2	7	1,548	5	3	1,845	12	8	1,273	13	2
1854	Salary.........	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...
	Commission...	2,011	14	1	1,120	1	2	686	9	2	1,486	15	6	767	6	3	1,808	13	2
1855	Salary.........	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...
	Commission...	1,882	14	1	1,498	14	6	913	0	4	855	8	5	1,834	1	2	1,808	13	2
1856	Salary.........	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...
	Commission...	1,885	8	0	1,250	7	1	2,163	1	11	1,359	14	11	1,941	5	10	1,426	2	6
857	Salary.........	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...
	Commission...	1,766	11	5	1,612	4	5	1,632	1	1	1,363	6	10	1,705	10	5	1,862	7	0

Year.		July.			August.			September.			October.			November.			December.			Total.		
		Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.
1841	Salary.........	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	19,092	13	9
	Commission...	1,243	11	11	1,299	6	7	1,018	7	6	738	4	9	449	2	9	527	10	0	8,778	6	7
1842	Salary.........	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	21,600	...	...
	Commission...	1,050	3	9	1,564	9	10	1,240	8	5	1,621	10	10	691	10	10	678	13	4	11,375	0	2
1843	Salary.........	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	21,600	...	...
	Commission...	775	13	6	1,380	5	2	1,143	15	0	1,066	10	6	482	11	9	468	7	11	10,094	13	5
1844	Salary.........	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	21,600	...	...
	Commission...	1,959	10	10	2,193	9	8	1,287	11	2	1,448	1	7	878	7	1	785	9	2	15,230	15	7
1845	Salary.........	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	21,600	...	...
	Commission...	2,351	3	7	1,646	0	11	1,676	6	7	1,456	2	7	475	11	9	801	12	8	18,959	3	10
1846	Salary.........	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	21,600	...	...
	Commission...	945	4	8	1,480	8	1	1,393	4	5	1,356	12	10	570	0	3	1,321	1	4	16,475	9	6
1847	Salary.........	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	21,600	...	...
	Commission...	1,658	13	1	1,316	4	9	1,217	15	1	830	2	5	154	7	4	999	2	9	14,287	8	1
1848	Salary.........	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	21,600	...	...
	Commission...	1,281	6	8	959	10	4	1,167	13	11	1,428	4	0	426	11	5	325	1	4	14,279	8	2
1849	Salary.........	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	21,600	...	...
	Commission...	1,431	6	9	938	9	7	1,878	2	6	1,213	4	10	301	6	5	598	9	4	14,970	6	1
1850	Salary.........	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	21,600	...	...
	Commission...	1,121	14	11	1,323	1	2	1,321	10	2	1,573	4	0	613	7	2	734	3	3	14,928	12	6
1851	Salary.........	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800 for November and December.	...	...	21,600	...	...
	Commission...	876	3	9	1,136	0	10	2,056	13	7	1,040	12	3	......	...	...	1,118	10	5	14,648	4	1
1852	Salary.........	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	21,600	...	...
	Commission...	1,282	15	10	1,406	12	2	1,593	7	0	955	3	11	450	2	3	1,176	0	2	15,546	2	11
1853	Salary.........	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	21,600	...	...
	Commission...	1,133	13	2	1,327	6	1	2,200	7	5	1,447	2	11	723	8	1	1,295	0	5	16,884	2	10
1854	Salary.........	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	21,600	...	...
	Commission...	1,606	2	7	1,257	15	2	2,251	10	9	898	15	7	1,299	9	5	578	13	8	15,774	14	6
1855	Salary.........	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	21,600	...	...
	Commission...	1,976	0	8	1,766	1	10	1,776	12	0	1,363	8	8	1,025	9	8	1,062	3	9	17,763	8	3
1856	Salary.........	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	1,800	...	...	21,600	...	...
	Commission...	2,309	9	8	1,171	9	0	1,824	4	0	2,290	13	11	1,068	6	0	1,094	4	2	19,755	7	0
857	Salary.........	Consolidated from July 1857.	...	...	......	...	...	......	...	...	......	...	...	......	...	...	......	...	...	10,800	...	...
	Commission...	......	...	...	......	...	...	......	...	...	......	...	...	......	...	...	......	...	...	9,912	9	0

No. 21. Proceedings of the Board of Revenue, dated 2nd April 1860, No. 1,655.

Read the following Official Memorandum from W. E. UNDERWOOD, Esq., Collector of Sea Customs, to J. D. SIM, Esq., Secretary to the Board of Revenue :—

The Collector of Sea Customs has the honor to forward for the information of Government, a Memorandum of the amount of Commission which would have accrued to the Collector of Sea Customs, under the old system in each month, since the Order of 4th July 1857, No. 667.

N. B.—An additional copy sent for Government.

Submitted to Government with reference to the Official Memorandum of the Revenue Secretary, dated 29th March 1860, No. 137, Revenue Department.

(A true Extract and Copy.)

(Signed) J. D. SIM, *Secretary.*

	Commission at 3 per cent. on the Net Collection.			Fixed Commission.			Monthly Increase.			Monthly Decrease.			Loss to the Collector by the Commission being fixed per annum.		
1857.	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.
July... ...	1,273	14	3	1,600	...	...	......	...	...	326	1	9			
August... ...	1,483	12	2	1,600	...	...	......	...	...	116	3	10			
September ...	1,945	10	11	1,600	...	...	345	10	11	......	...	...			
October... ...	1,190	5	1	1,600	...	...	......	...	...	409	10	11			
November ...	1,152	6	2	1,600	...	...	......	...	...	447	9	10			
December ...	1,163	12	6	1,600	...	...	......	...	...	436	3	6			
January 1858 ...	2,762	13	5	1,600	...	...	1,162	13	5	......	...	...			
February... ...	2,133	8	3	1,600	...	...	533	8	3	......	...	...			
March... ...	1,824	5	10	1,600	...	...	224	5	10	......	...	...			
April... ...	1,399	7	5	1,600	...	...	......	...	...	200	8	7			
Total.........	16,330	...	...	16,000	...	...	2,266	6	5	1,936	6	5	330	...	...
	16,000	...	...	......	...	...	1,936	6	5						
	330	...	...				330	...	...						
1858.															
May... ...	991	12	0	1,600	...	...	......	...	...	608	4	0			
June... ...	2,418	2	0	1,600	...	...	818	2	0	......	...	...			
July... ...	2,907	5	9	1,600	...	...	1,307	5	9	......	...	...			
August... ...	1,965	14	6	1,600	...	...	365	14	6	......	...	...			
September ...	2,464	9	8	1,600	...	...	864	9	8	......	...	...			
October... ...	2,120	12	6	1,600	...	...	520	12	6	......	...	...			
November ...	1,386	4	5	1,600	...	...	......	...	...	213	11	7			
December ...	1,593	9	6	1,600	...	...	......	...	...	6	6	6			
January 1859 ...	2,976	9	4	1,600	...	...	1,376	9	4	......	...	...			
February... ...	2,195	3	2	1,600	...	...	595	3	2	......	...	...			
March... ...	3,532	10	0	1,600	...	...	1,932	10	0	......	...	...			
April... ...	2,278	8	10	1,600	...	...	678	8	10	......	...	...			
Total.........	26,831	5	8	19,200	...	...	8,459	11	9	828	6	1	7,631	5	8
	19,200	...	...	......	...	...	828	6	1						
	7,631	5	8				7,631	5	8						
1859.															
May... ...	3,112	14	8	1,600	...	...	1,512	14	8						
June... ...	2,805	13	9	1,600	...	...	1,205	13	9						
July... ...	4,139	2	0	1,600	...	...	2,539	2	0						
August... ...	5,259	7	8	1,600	...	...	3,659	7	8						
September ...	6,521	6	0	1,600	...	...	4,921	6	0						
October... ...	4,100	15	6	1,600	...	...	2,500	15	6						
November ...	2,852	11	1	1,600	...	...	1,252	11	1						
December ...	2,980	5	0	1,600	...	...	1,380	5	0						
January 1860 ...	5,562	2	0	1,600	...	...	3,962	2	0						
February ...	2,777	14	7	1,600	...	...	1,177	14	7						
Total.........	40,112	12	3	16,000	...	...	24,112	12	3				24,112	12	3
Deduct.........	16,000	...	...							Co.'s Rupees...			32,074	1	11
	24,112	12	3												

(Signed) W. E. UNDERWOOD,
Collector, Sea Customs.

No. 22. MINUTE BY THE HONORABLE THE PRESIDENT.

What Mr. Underwood claims, is not a commuted allowance, but one founded on the actual receipts. In other words, he asks for a reversal of the arrangement made by Order of the Court. The commutation was, of course, based upon the last receipts. If the receipts had fallen instead of increased, we should not have received an application for a re-opening of the arrangement.

(Signed) C. E. TREVELYAN.

7th April 1860.

No. 23. MINUTE BY THE HONORABLE W. MOREHEAD.

The case is not, I think, correctly stated by the President. Mr. Underwood does not ask for the reversal of an arrangement made by an Order of the Court, but he asks for the reversal of an arrangement made by this Government *contrary* to an Order passed by the Court.

The claim preferred by Mr. Underwood and supported by the Revenue Board seems a just one.

(Signed) W. MOREHEAD.

9th April 1860.

No. 24. MINUTE BY THE HONORABLE THE PRESIDENT.

Whether the commutation was made by Order of the Court of Directors or on the sole authority of this Government, the case is the same. It was determined that Mr. Underwood should receive a commuted allowance based upon the average of his previous receipts, instead of the per-centage. An average is, in its nature, a compromise involving liabilities of gain or loss. If, therefore, the original arrangement was just, there is no new reason for disturbing it now. Mr. Underwood might have been a gainer by the average, in which case he would not have been called upon to refund the extra advantage. I must maintain this as the just view of the case, but our Proceedings should be specially reported to the Secretary of State who may think it an occasion for the exercise of liberality.

(Signed) C. E. TREVELYAN.

12th April 1860.

No. 25. ORDER THEREON, 23rd April 1860, No. 616.

Paragraph 1. Mr. Underwood was appointed Collector of Sea Customs at Madras in 1841, when the emoluments of the office consisted of a fixed salary of Rupees 21,600 a year (being Rupees 1,800 a month) with a commission of 3 per cent. on the net collections of Customs duties at the Port.

2. In 1843,* the Court of Directors ordered that on the occurrence of a vacancy, a consolidated salary should be assigned to the office; and that it should not exceed Rupees 30,000 a year, or Rupees 2,500 a month, the payment of commission being discontinued.

* *Despatch No. 22, dated 29th November* 1843, *paragraph* 18 *in Order of Government, 9th March* 1844, *No.* 209.

3. In 1857, a correspondence took place on a claim put forward by Mr. Underwood to commission on the duty not levied but charged in account (under the system then followed) on Commissariat Stores imported. The claim was negatived;† but in order to avoid the occurrence of similar demands for the future, the Government resolved to carry out at once the Court's Order of 1843 for the abolition of the payment by a commission, and to substitute a fixed sum based on the average receipts from that source in previous years; postponing until a

† *Order of Government, May 29th* 1857, *No.* 512, *paragraph* 7.

commutation was ordered to be made on a three years' average; but it was ultimately fixed on two years', that being more favorable to Mr. Underwood. The commutation sanctioned was Rupees 1,600 a month, which added to the salary of 1,800 Rupees formed a total of 3,400 Rupees a month.

Order of Government July 4th, 1857, *No.* 677.

4. The Board of Revenue now submit a letter from Mr. Underwood in which that gentleman urges that this change subjected him to loss; and prays that as such a result was not intended, the difference between what he received in the commuted allowance and what he would have received under the old rule may be paid to him. The Board support the request.

5. The Government have procured two Statements from the Civil Auditor and the Board of Revenue, to show respectively the commission drawn by Mr. Underwood up to the change of system in 1857, and that which he would have received since, if the change had not been made. It is seen from the Civil Auditor's statement that the commission gradually increased from Rupees 11,375 in 1842, the first entire year of Mr. Underwood's incumbency, to Rupees 19,755 in 1856, the last entire year of his drawing commission. The Board's statement shows that after the change in 1857 the commission continued to increase. In 1857 there was a decline; but in the succeeding years the Commission was (or would have been) as in the margin.* According to this statement the difference of amount between the commission and fixed commuted allowance amounts from July 1857 to the end of February 1860, to Rupees 32,074.†

* 1858-9	26,831 *Rs.*
1859-60, *up to February* 1860, *ten months*	40,113 ,,

	Rs.	*A.*	*P.*
† *July* 1857 *to April* 1858	330	0	0
1858-9	7,631	5	8
1859-60, *up to Feb.* 1860	24,112	12	3
Total	32,074	1	11

6. The Honorable the Governor in Council has given his best consideration to the circumstances of the case, but he sees no sufficient ground for acceding to Mr. Underwood's request. That request is that the arrangement of July 1857 should be reversed, on the ground that the average commutation is less than the actual commission would have been. An average is in its nature a compromise, involving liabilities of gain or loss. Mr. Underwood might have been a gainer by the average, and he would not have been called upon to refund the extra advantage. The commutation was made with the most liberal consideration for Mr. Underwood, and the circumstance that it has not in fact resulted to his advantage, is no good reason for now annulling it.

7. Such in the opinion of the Government is the equity of the case; and if its particular circumstances are examined, no good reason appears for making it an exception. Under the commutation Mr. Underwood receives 3,400 Rupees a month; being 650 Rupees a month more than he received in the first year of his holding the Office, and 900 Rupees above the highest rate of salary proposed for his successor. The Government cannot at all admit that the arrangement of 1857 was opposed to the Order of the Court of Directors in 1843. A fair commutation of a variable allowance on an average of years, is virtually a continuance of that allowance; and in the present instance, as already noticed, the commutation was very liberal.

Nor can the Government perceive that the rule limiting the services of Covenanted Civil Officers to 35 years has any bearing on the question at issue.

8. The foregoing appears to the Government to be the just view of the case; but as the Home Government may consider the occasion to be one calling for the exercise of liberality, they resolve to submit the papers to the Secretary of State for his orders.

(Signed) J. D. BOURDILLON,
Secretary to Government.

Memo

Mr Underwood was appointed Colr of Sea Customs in 1841 – ~~[illegible]~~ the emoluments of the office ~~then~~ consisted of a salary 21,600 Rup. a year (being 1800 Rup a month) with a commission of 3 per cent on the collections.

2. In 1844 the Court of Directors ordered that on a vacancy occurring, a fixed salary shd be substituted for this mixed remuneration, & that it shd not exceed 2500 Rup a month.

3. In 1857 a correspondence took place on a

claims put forward by Mr. Underwood to Commission on the duty not levied but ~~[illegible]~~ charged in account (under the system then followed) on Commissariat stores imported. The claim was negatived; but in order to avoid the occurrence of such claims for the future, the Govt. resolved to carry out at once the C.D.'s order of 1844 for the abolition of Commission; by substituting a fixed commutation. This was done on the average of the next preceding three years: that average was Rup. 1520¾ monthly, & the commutation given in lieu was 1600 Rup.

order July 4/57.

4. Mr. Underwood now urges that this change subjected him to loss; & as such a result was not intended, he prays that the difference between what he recd. in the commutation allowce. & what he wd. have recd. under the old rule may be made up to him.

5. The two Statements accompanying marked I & II show the particulars. It will be seen in I that the Commission gradually increased from 11,375 Rs. in 1842, the first entire year of Mr. Underwood's incumbency, to R. 19,755 in 1856 the last entire year of his drawing commission.

6. After the change in 1857 the Commission continued to increase. In 1857 there was a decline; but in the succeeding

[illegible] Pol. I [illegible]

Rs.
1858/9 – 26,831
1859/60 – 40112

year the Commission was (as wd have been) as in the margin – see Pol. II. 7. according to these Statements.

Then, the difference up to the end of Feby/60 is Rs 32,074 – that since the change in 1857, Mr Underwood during this last year wd have been drawing Rs above 5800 Rs a month, or much more than a member of Council.

The Salary for future incumbents fixed by the Govt in 1857 was ~~[illegible]~~ 3000 Rs a year ~~[illegible]~~ that proposed by the President in his [illegible] in Octr/59 was 24000 or 28000, Mr Underwood under the Commutation has drawn 36000 –

J.D.G.

What Mr Underwood claims is not a commuted allowance but ~~[illegible]~~ ~~and~~ a fixed one founded on the actual receipts. In other words, he asks for a reversal of the arrangement made by order of the Court. The Commutation was, of course, based upon the last receipts. If the receipts had fallen instead of increased we should not have received an application for reopening the [illegible]

The case is not I think correctly stated by the President – Mr Underwood does not ask for the reversal of an arrangement made by an order of the Court but he asks for the reversal of an arrangement made by this Govt – [illegible] to

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Copy in Letter to C[illegible]
d/25th April 1860. No. 37

[illegible] made by order of the Court of Directors [illegible]

[illegible] commuted [illegible] average [illegible] instead of the Presidency [illegible]

[illegible] I must maintain the [illegible]

an order passed
by the Council –
The decision proposed
by Mr E. & accepted
[illegible] by the H. B. –
seems a just one

[illegible]

Whether the commutation was made by order of the Court of Directors or on the sole authority of this Government, the case is the same. It was determined that Mr Underwood should receive a commuted allowance based upon the average of his previous receipts, instead of the Percentage. An average is, in its nature, a compromise involving liabilities of gain or loss. If therefore, the original arrangement was just, there is no new reason for disturbing it now. Mr Underwood might have been a gainer by the average in which case he would not have been called upon to refund the extra advantage. I must maintain this as the just view of the case, but our proceedings should be specially reported to the Secretary of State who may think it an occasion for the exercise of liberality

Wilson
12 April 60

Revenue 1860 Deptt
Pro: of Govt. 30th April

No 996.

Minute by the Honorable the President.
Dd 7th April 1860.

Records his views on the application of Mr Underwood Collr of Sea Customs for the reversal of the arrangement made in regard to his remuneration.

No 997

Minute by the Hon. Mr Morehead
Dd 9th April /60.

Defers from the President in his views of Mr Underwood's application in regard to his remuneration and observes that the applicants claim is a just one.

No 616. 23d April

Minute

No 998.

Minute by the Hon. the President
Dd 12th April 1860

Maintains his original views of the case of Mr Underwood respecting the arrangements made for ~~or~~ his remuneration, but resolves that the Pro: be specially reported to the Home Govt. who may think it an occasion for the exercise of liberality

No 22 at 24.

No 616. Rev. Dept.

Proceedings of the Madras Govern^t
Under date the 23d Apl 60.
Read the following Papers.

Proced: of the Board of Rev:

Submitting a letter from the Collr of Sea Customs Madras pointing out that he will be a loser to a considerable extent by the arrangement recently made regarding the commutation of his Commission, the net revenue from Sea Customs having steadily increased ever since and recommending that Mr Underwood's application be complied with and that the Civil Audr be instructed on his retirement to adjust his salary accordingly. (Here enter 19th March /60 No 1396)

From the Civil Audr.

Annexes a Memo of the amount of salary & commission drawn by Mr W. E. Underwood (Here enter 31st " No 102)

Proceed: of the Bd of Rev.

Submitting a Memo of the Commn which would have accrued to Mr Underwood Collr of Sea Customs under the old system. (Here enter 2d April /60 No 1658)

Minute by the Hon'ble the President (Here enter 7th April 1860)
" by the " Mr W. Morehead (" — " 9th " — ")
" by the " the President (" — " 12th " — ")

Para 1. Mr Underwood was appointed Collector of Sea Customs at Madras in 1844 when the emoluments of the office consisted of a fixed salary of Rs 21,6 a year (being Rs 1800 a month) with a Commission of 3 per cent on the net collectio

1

collections of Customs duties at the Port.

2 In 1843, the Court of Directors ordered that on the occurrence of a vacancy ~~in the office~~, a consolidated salary should be assigned to the office, and that it should not exceed Rs 30,000 a year or Rs 2,500 a month, the payment of Commission being discontinued. —

Despatched 29 November in Order of Govt. 1844 No 209

3 In 1857, a correspondence took place on a claim put forward by Mr Underwood to Commission on the duty not levied but charged in account (under the system then followed) on Commissariat stores imported. The claim was negatived* and in order to avoid the occurrence of similar demands for the future, the Govt resolved to carry out at once the Courts order of 1843 for the abolition of the payment by a Commission, and to substitute a fixed sum based on the average receipts from that source in the previous years, passing until a change of incumbency, as ordered by the Court, the adoption of a consolidated salary. This commutation was ordered to be made on a three years average, but it was ultimately fixed on two years, that being more favorable to Mr Underwood. The commutation sanctioned was Rupees 1,600 a month which added to the salary of 1,800 Rs formed a total of 3,400 Rupees a month. The

order of Govt July 4th 57 No 677

* Order of Govt May 29th 1857 No 512 (Fin)

4. The Board of Revenue now submit a letter from Mr. Underwood in which that gentleman urges that this change subjected him to loss; and prays that as such a result was not intended, the difference between what he received in the commuted allowance and what he would have received under the old rule may be paid to him. The Board support the request.

5. The Govt have procured two statements from the Civil Auditor and the Board of Revenue, to shew respectively the commission drawn by Mr. Underwood up to the change of system in 1857, and that which he would have since received if the change had not been made. It is seen from the Civil Auditor's statement that the commission gradually increased from Rs 11,375 in 1842, the first entire year of Mr. Underwood's incumbency, to Rs 19,755 in 1856 the last entire year of his drawing commission. The Board's statement shews that after the change in 1857 the commission continued to increase. In 1857 there was a decline, but in the succeeding years the commission was/or would have been as in the margin.x According to this statement the difference of amount between the

1858/59 — 26,831 Rs
1859/60 up
to Feb. 1860 ten
months — 40,113 "

the Commission and the commuted allowance amounts from July 1857 to the end of February 1860 to Rupees 32,074.

	Rs
July 57 to April 58	330-..-..
1858/59	7,631-5-8
1859/60 up to Feby 60	24,112-12-3
Total	32074-1-11

6. The Honorable the Governor in Council has given his best consideration to the circumstances of the case, but he sees no sufficient ground for acceding to Mr. Underwood's request. That request is that the arrangement of July 1857 should be reversed, on the ground that the average commutation is less than the actual commission would have been. An average is in its nature a compromise, involving [illegible]

babilities of gain or loss. Mr. Underwood might have been a gainer by the average, and he would not have been called upon to refund the extra advantage. The commutation was made with the most liberal consideration for Mr Underwood, and the circumstance that it has not in fact resulted to his advantage, is no good reason for now annulling it.

7 Such is the opinion of the Govt. in the equity of the case; and if its particular circumstances are examined, no good reason appears for making it an exception. Under the commutation Mr Underwood received 3,400 Rs a month; being

450 R

650 Rs a month more than he received in the first year of his holding the office, and 900 Rs above the highest rate of salary proposed for his successor. The Govt. cannot at all admit that the arrangement of 1857 was opposed to the order of the Court of Directors in 1843. A fair commutation of a variable allowance on an average of years is virtually a continuance of that allowance, and in the present instance, as already noticed, the commutation was very liberal.

Nor can the Govt. perceive that the rule limiting the services of covenanted Civil officers to 35 years has

any arising on the question at issue.

8. The foregoing appears to the Govt. to be the just view of the case, but as the Home Govt. may consider the occasion to be one calling for the ercise of liberality, ey resolve to submit e papers to the Secretary of State for his orders.

Board of Revenue
to Mr. Underwood. Decr 24th

[illegible]

A. D. Go No 61
12-3-44
15-16
2-6-57
12-18
7-1-9
47

[illegible]

Revenue 1860 Depart

Pro. of Govt 30th April

No 616

Pro. of the Madras Government

Dd 23rd April 1860

From the Collector of Sea Customs

Dd 30th April to Govt No 77
12th [illegible]

[illegible]

[illegible]

[illegible]

[illegible] of Sea Customs

[illegible] Collr

of Sea Customs

[illegible] 25