

EAST INDIA (UNCOVENANTED SERVICE

RETURN to an Address of the Honourable The House of Commons,
dated 5 April 1892, -for,

“RETURN of CORRESPONDENCE between the Secretary of State for India
and the Government of India, in relation to the Resolution of the
Government of India of 4th December 1891, regarding the UNCOVENANTED
SERVICE ”

India Office,
26 April 1892. }

HORACE WALPOLE,
Assistant Under Secretary of State.

(*Mr. King.*)

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RETURN of CORRESPONDENCE between the Secretary of State for India and the Government of India, in relation to the Resolution of the Government of India of 4th December 1891, regarding the UNCOVENANTED SERVICE.

— I. —

(Financial, No. 190)

To His Excellency The Most Honourable The Governor General of India
in Council.

India Office, London,
28 August 1890.

My Lord Marquis,

I TRANSMIT, for the information of your Government, a copy of the Report of the Select Committee of the House of Commons on East India (Civil Servants), with the proceedings of the Committee, and the Minutes of Evidence, relating to “ the alleged grievances of the Uncovenanted Civil Servants of India, arising from the change in the relative value of gold and silver money, and their leave and pension rules ”

Uncovenanted Civil
Servants Report of
the Select Committee.

2. With regard to the payment of the pensions of such of those officers as are permanently resident in the United Kingdom, the Committee are of opinion (1) “ that the unforeseen change in the relative value of gold and silver money affords equitable grounds for a readjustment of the pensions ”, and they have accordingly reported to the House of Commons, (2) “ That a minimum rate of exchange for payment of pensions should be fixed by the Government ”, and (3) “ that the minimum rate shall be one shilling and nine pence (1 s. 9d) to the rupee.”

3 Your Excellency is aware, from my telegram of the 6th of March 1888, and my Despatches of the 31st May 1888, No 141, and the 9th of January 1890, No 5, that I have for some time had under consideration the propriety of offering to such of the uncovenanted servants as are in receipt of pensions granted in rupees a guarantee that the amounts issued to them in England should not fall below some definite sterling amount. My view was that, although there was no legal claim upon the Government to give anything more than the number of rupees determined under the regulations, it was not desirable that an important body of public servants should, after they had finally severed their connection with India, be liable to continual and excessive fluctuations in their income from circumstances over which they had no control. I was, accordingly, prepared to allow any such officer, if resident in a country of which gold is the currency, voluntarily to convert his pension into the equivalent thereof, at a fixed rate of 1 s 8 d. the rupee.

4 Your Excellency did not accept this view, and preferred that the grievances of the officers should be investigated by a Select Committee of the House of Commons, and, in compliance with your opinion, Her Majesty's Government consented to its nomination. Although, therefore, the recommendation of the Committee would impose on the revenues of India a heavier charge than I had intended, I do not think that it will be right to hesitate in its acceptance. I have, accordingly, communicated to your Excellency, by a telegram, dated the 6th of August, the substance of a Resolution passed by me in Council on that day, namely, that “ all pensions granted in rupees, which are payable at the Home Treasury to residents in the United Kingdom, or which are payable to residents in any other country in which the standard of currency is gold, be

“ paid, with effect from the 1st of April 1890, at the rate of exchange annually
 “ fixed for the adjustment of transactions between the British and Indian
 “ Governments; subject to the condition that the rate of 1 s 9 d the rupee be
 “ fixed as the minimum rate at which the conversion into sterling shall be
 “ effected.”

5 The 4th Resolution of the Select Committee is, “ that no distinction in the
 “ furlough and pension rules should be made
 “ between Europeans and natives of India ”
 Assuming the meaning of the Committee to be
 that no such distinction should be made merely
 on account of race, it is entirely in accordance
 with the policy of the East India Company in
 former days, and with that of Her Majesty’s

*Despatches to India,—

8th December 1862, No 205 (Financial), paragraphs 2 and 3
 8th November 1865, No 255 (Financial), paragraph 9
 15th May 1868, No 221 (Financial)
 8th December 1868, No 504 (Financial)
 10th March 1868, No 84 (Financial)
 6th December 1871, No 451 (Financial)
 10th February 1876, No 48 (Financial)
 12th September 1889, No. 104 (Public), paragraph 34

Government expressed in repeated Despatches, to the most important of which
 I refer in the margin *

6. The 5th and 6th Resolutions of the Committee are, “ that some period of
 “ furlough should in all cases count as service for pension ”, and that pension-
 “ able service should commence at the age of 20 ” The Committee have given
 no reasons for their recommendations, and I am unable to judge whether they
 intended the words “ in all cases ” to include furlough taken in India as well as
 out of India Your predecessor’s Government, in a letter dated the 21st of
 August 1886, No. 254, recommended that “ one year’s leave with allowance in
 “ 15 years’ service, and two years in 25 years’ service, be allowed to count as
 “ service for pension, provided that such leave is taken out of India ” I was
 unwilling to sanction such a measure, in the absence of any estimate of its
 probable financial effect, but your Excellency, being convinced that the con-
 cession would not materially affect the cost of the steps that were likely to be
 taken on other grounds, has renewed the recommendation in your letter of the
 11th of March last, No. 66, and accordingly, unless you see any reason now to
 change your opinion, I give my sanction to it

7. The reduction to 20 of the age at which qualifying service may begin is
 in excess of the recommendation made on this subject by the Government of
 India in 1886, and renewed by you recently, which would have fixed the
 minimum age at 21. Considering the great tendency on the part of the
 Uncovenanted Servants to continue in the service of the Government as long as
 health and the regulations permit, I do not consider that any very material
 addition would be made to the Home Charges by reducing the limit to 20
 Unless, therefore, your Excellency should consider that the charges in India
 would be unduly enhanced thereby, I authorise you to carry this Resolution of
 the Committee into effect.

8 In addition to their Resolutions, the Committee have recorded their
 “ opinion that the greater part of the grievances of the Uncovenanted Service
 “ is due to the ambiguity in which the terms of service have from time to time
 “ been stated; and ” they “ recommend that in future there shall be as nearly
 “ as possible a uniform scheme, which shall explicitly describe the terms of
 “ pension and furlough.” In this respect, again, I find myself in some difficulty
 from the absence of any explanation of the grounds upon which the Committee
 have founded their opinion. The most material part of the grievances appears
 to have consisted in the payment of the pensions at the rate of exchange
 annually fixed for the adjustment of transactions between the British and
 Indian Governments, and this condition, so far from being left in ambiguity,
 has been expressed in every notification, advertisement, contract, and code of
 rules, in which the payment of pensions to Uncovenanted Servants has been
 mentioned Your Excellency is, however, aware, from my Despatch of the
 4th of July 1889, No. 145, of my wish that the Civil Furlough Rules should be
 made more simple; and I trust that you may be able to adopt this suggestion
 with regard also to the Pension Rules It seems to me that it would be practi-
 cable to condense into a small pamphlet the more important regulations, leaving
 the numerous amplifications and subsidiary rules to be codified for the informa-
 tion of the officers of account, as at present, to whatever extent may be
 necessary.

9 I do not, however, consider it possible that there can be one scheme for all the Civil Servants. As regards pension, the annuities of the Covenanted Civil Servants are on a totally different footing from the retiring allowances of other officers, and, as regards furlough, there must, in my opinion, be a broad distinction between the privileges of the higher classes who are appointed by competition or selection in England, and those of the branches requiring no special European training, for which the Local Governments find no difficulty in obtaining recruits on the spot. I cannot express my view more clearly than by quoting the words of the Report* of the Public Service Commission, that not only the pay of the Provincial Service, but also "the general conditions of such service as to leave and retiring annuity, should be fixed on independent grounds, and bear no relative proportion to those of the Imperial Service."

*Summary, Clause 39

10 Finally, the Committee state that they "have had their attention called to the obstacles in taking furlough, arising from the insufficiency of the present furlough pay." The remark has reference apparently to the absence of any minimum allowance. In certain cases a minimum rate of furlough allowance is fixed, and it seems equitable that, in the case of the officers to whom the Resolutions of the Select Committee refer, some minimum rate should also be fixed when the leave is taken out of India. I shall be glad to have your Excellency's opinion on the point, and on the amount at which you would place the minimum if you concur in this view.

11 Some complaints were made to the Committee regarding the reservation, in Clauses 5 to 7 of the Civil Service Regulations, of the right of the Government to change or modify the pension and furlough rules from time to time, and to interpret their meaning. The particular instances brought forward of the supposed application of this power appear to have been the refusal to recognise, on behalf of officers appointed while the Pension Rules of 1831 were in force, a claim to a pension equal to half their salary when promotion to an amount exceeding 10,000 rupees a year had been obtained after the limitations laid down in 1855 were prescribed, the introduction of a system of compulsory retirement at the age of 55, and the substitution of a graduated scale of pension in 1887 for the scale previously in force. I have no reason to think that in any of these cases there was any interference with the rights of the servants of the Government. It is, however, desirable that it should be clearly understood that the Government does not claim any power to withdraw from officers privileges already granted to them, although it maintains the right of altering the regulations when necessary, and of judging, in any case in which an officer may appear to suffer therefrom, whether sufficient compensation has been granted to him.

I have, &c.
Cross.

— II. —

(No 393 of 1890)—Finance and Commerce Department.

To the Right Honourable Viscount Cross, G.C.B., Her Majesty's
Secretary of State for India.

My Lord,

Calcutta, 17 December 1890.

WE have the honour to acknowledge receipt of your Lordship's Despatch No 190 (Financial), dated the 28th August 1890, dealing with the recommendations of the Select Committee of the House of Commons on East India (Civil Servants)

2 We have made the necessary corrections in the Civil Service Regulations in accordance with your Lordship's decision to fix a minimum rate of exchange at 1 s 9 d the rupee in respect of all pensions granted in rupees, which are payable at the Home Treasury to residents in the United Kingdom, or which are payable to residents in any other country in which the standard of currency is gold

188.

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3. With

3 With reference to the fifth resolution of the Committee, we have already expressed an opinion that some concession is required in respect of the rule by which the service qualifying for pension is reckoned exclusively of all leave other than privilege leave. We see no reason to modify the views stated in paragraph 9 of our Despatch, No 254 (Financial), dated the 21st August 1886, and we have accordingly availed ourselves of your Lordship's sanction to the proposal therein made to provide by rule that one year's leave with allowances in 15 years' service, and two years in 25 years' service, shall be allowed to count as service for pension, provided that such leave is taken out of India.

4. In regard to the sixth resolution, we have considered the question raised in paragraph 7 of your Lordship's Despatch, and we think it may be safely said that the charges in India will not be unduly enhanced by reckoning qualifying service from the age of 20 years. We do not think that the alteration will have any appreciable effect in the case of natives of India, and even in the case of European officers it is probable that the grievance expressed on the point in the evidence before the Committee is mainly sentimental, as an officer other than an Indian Civil Servant seldom retires voluntarily before the age of 55. The practical effect of the change will be to add slightly to the pensionary charges in the case of officers compelled to leave the service through ill-health. We gladly assent to a change which will to some extent lessen the difficulties in which deserving officers may be placed by the loss of health, and we have willingly accepted the recommendation on the point made by the Committee and supported by your Lordship.

5. We enclose a copy of a resolution which we have issued in the Financial Department, No. 5800, dated 12th December 1890, giving effect to the changes specified in the previous paragraphs, and showing the consequent amendments of the Civil Service Regulations. As regards the addition to Article 628, we have understood the instructions as authorising us to make the necessary amendment in the rules for Statutory Native Civil Servants.

6 In paragraph 8 your Lordship has discussed the advisability of a general simplification of the leave and pension rules. We have referred to the evidence on the point laid before the Committee at pages 32 and 145 of the Minutes. We are far from underrating the importance of making the rules as simple as possible, and we will cause a short pamphlet to be prepared containing the principal regulations in a condensed form in the manner suggested by your Lordship. We think, however, that the complaint of complexity indicates some misapprehension as regards the leave and pension rules, and that the bulk of the regulations is unavoidable, considering the very large number of officers affected by them, the great differences in the conditions of service of the branches of the public service dealt with, and the great variations within those branches as regards class, nationality, and circumstances of appointment. The codes have gradually acquired their present form in the course of years, during which much trouble has been taken to clear up doubts and difficulties, to harmonise, as far as possible, the conditions of service for similar classes in different departments of the Administration, to make it possible for every officer to ascertain the rights and privileges of his appointment, and, finally, to enable Local Governments and executive officers to deal on a system with the great mass of questions that necessarily come before them. Our object has been to secure uniformity of practice, and to avoid the necessity for perpetual reference to the central Government on questions of administrative routine. The apparent intricacy of the rules is to some extent misleading, as the number of rules affecting any one class of officers is comparatively small, and such complications as undoubtedly exist are mainly due to constant pressure from administrative departments in regard to special cases, in which it is represented that hardship or unfairness is caused by the application of broad general rules to varying classes of the public service. Much is still required before the regulations can be considered complete, but the work of improvement is necessarily slow, and we think it certain that an extensive abbreviation will only result in a return to the former unsatisfactory position, in which the endless questions of detail involved in the complicated machinery of Indian Government could

could only be decided by the traditions preserved in note books of reference maintained in the Secretariat and Account offices. The difficulties, the uncertainty, and the want of uniformity in practice of the last generation, have been in great part forgotten by officers of the present day, and those who are most ready to complain of the complication of the rules are themselves unaware how largely the codes have contributed to increased smoothness in the working of the administration.

7 In paragraph 10 your Lordship has asked for our opinion on the question of prescribing a minimum furlough allowance, with a view to removing the reluctance to take furlough occasioned by the insufficiency of the present furlough pay. The question has been carefully considered by us during the last year in connection with memorials submitted by officers of our Public Works Department, and we agree that a concession is required in the interests of European officials, but some difficulty arises from the great differences in pay and classes of appointment held by the officers concerned. There are obvious objections to further complication of the rules by the adoption of a varying minimum for different branches of the service. An arrangement of the kind would only accentuate the dissatisfaction which we are now attempting to remove, and no scheme could be prepared which would not give fresh occasion for real or imaginary grievance. On the other hand, the adoption of a uniform minimum allowance for all furlough taken out of India is objectionable, both on the ground of the expense involved, and of the fact that large classes of officers would then be enabled to take furlough on allowances equal to, or little less than, the salaries enjoyed by them on active service.

8. It appears to us that the best way out of the difficulty lies in granting the privilege of a minimum allowance to those officers only who have been specially recruited in England. These officers may be considered to have special claims on the liberality of the Government when they desire to revisit the country in which they were recruited, and the scale on which they are paid affords a sufficient guarantee that their leave allowances under a moderate sterling minimum will not be disproportionately high. The specific proposal which we make to your Lordship is that all officers appointed in England should be given a minimum leave allowance of 250*l.* a year, or their last pay converted at the official adjusting rate, whichever is less. The concession will not affect the numerous Europeans appointed in India to the Education, Police, Accounts, Opium, Salt, and other minor Departments. We think, however, that a broad line can be fairly drawn between the services recruited in England and in India. The latter were recruited in a country in which the silver standard prevailed, and the Government is not bound to incur expenditure to save them from loss if they spend their leave in another country employing a different standard of value.

9. The last point to be discussed is the very important question dealt with in the eleventh paragraph of your Lordship's Despatch. We observe that many of the witnesses examined by the Committee laid stress upon the danger to which they profess to be exposed, owing to the reservation by Government of its right to modify existing rules, and to interpret the meaning of these rules in case of doubt. We think, however, that the evidence given under this head shows clearly that the grievance of which so much has been made arises to a large extent from misapprehension, and this view is strengthened by the fact that the Committee has not considered it necessary to frame any definite resolution on the point. The evidence to which we specially refer is that given on pages 3, 10 to 18, 33, 38, and 110 of the Minutes. Your Lordship has pointed out that the particular instances in which the rules are supposed to have worked hardly with retrospective effect, are those connected with the pension rules of 1831 and 1855, the rule introducing compulsory retirement at the age of 55, and the introduction of the graduated pension scale in 1887; and your Lordship has added that there is no reason to think that in any of these cases there was any interference with the rights of the servants of Government. In that opinion we concur. The changes made in each of these cases have been sanctioned primarily in the interests of the officials themselves, and the result has been to effect improvements in the prospects and position of the Civil Services as a whole. It is only natural that individual officers should endeavour to make

the most of a loss which they may at the end of their service consider due to the action of particular rules. The circumstances under which the changes were made are by that time forgotten, and the officers themselves have lost count of the great gain which these very changes involved to them throughout their service. We find, however, that even so, the charges brought against the Government are for the most part indefinite, and that, when called on for specific instances of hardship, the witnesses were able to quote exceedingly few. The inference to be drawn is that the power to alter rules hitherto vested in the Government of India has been throughout exercised with due consideration for the rights of its servants, and that there has in reality been no harsh or arbitrary curtailment of existing privileges such as has been alleged by some of the witnesses.

10 Under these circumstances, we think it right to suggest to your Lordship that the terms in which paragraph 11 of the Despatch under reply is expressed might give rise to considerable difficulty. The Articles 5 to 7 of the Civil Service Regulations quoted by your Lordship deal with the reservation by Government of the right to modify the rules regarding pay and acting allowances, leave, and pension, and in the last sentence of paragraph 11 it is suggested that questions of compensation may arise in each case of modification of any of these rules. We venture to point out that a suggestion of the kind goes beyond even the necessities of the case as alleged by the witnesses on an *ex parte* statement of their grievances, and that without some qualification the guiding principle laid down by your Lordship would go far towards making it impossible for the Government to carry out its functions effectively. The evidence on the point before the Committee was given mainly, if not entirely, with reference to changes in the pension rules, and we entirely agree that, on the rare occasions when any substantial change is made in a pensionary system, the privileges of existing employes should be safeguarded to the fullest extent. This can be most easily done by giving to the officers affected the right of selecting within a given period whether they will come under the operation of the existing or the new rules, and we are unaware of any change made in the past in which the great mass of officials would not have readily exercised their option by accepting the new rules offered to them.

11 The difficulty which we feel in regard to your Lordship's instructions is, that they may be held by our officers to go much further than is necessary or than your Lordship intended. In regard to Article 5 especially, and to a less extent in regard to the leave rules covered by Article 6, we feel that they might, under certain conditions, unduly hamper us in carrying out necessary improvements in the rules of the services. We have explained in paragraph 6 that the code of rules regulating the conditions of employment of the Civil Services has grown up gradually with a rapidly developed system of government. Many of its provisions have been introduced tentatively to meet the necessities of new branches of the administration, and many of its complications are due to special difficulties connected with the Indian Government. To enable us to simplify it effectively in the manner suggested by your Lordship, it is of the first importance that the Government should be able to carry out any necessary changes without being required to consider separately every claim for compensation that may be alleged to arise out of each reform. As an instance of the difficulty which we apprehend from the views now indicated by your Lordship, we invite attention to the proposals referred to in paragraph 2 of the Despatch No. 145 (Financial), dated the 4th July 1889, in which we were asked to consider the remarks of the Home Charges Committee on the possibility of reducing our liabilities in respect of civil furlough and absentee allowances. In that particular case we were unable to recommend the suggested changes, but it might well have happened that proposals in which we fully concurred would have perforce been abandoned, from the impossibility of carrying them out if their introduction involved the necessity of assessing claims to compensation by each individual officer affected.

12 If your Lordship agrees with us that it is indispensable for the Government of India to expressly retain the powers reserved by Articles 5 to 7 of the Civil Service Regulations, and especially the powers reserved by Articles 5 and 6, we should be glad if the terms of paragraph 11 of the Despatch under
reply

reply could be modified, or further explained, in such a way as to make it clear that claims to compensation will not, as a matter of course, be admitted in consequence of changes in the conditions of service. We fully agree with your Lordship that the powers referred to should not be exercised harshly or arbitrarily, and that the fullest consideration should be given to the general interests of those affected. We observe that, although your Lordship has quoted Articles 5 to 7, it would appear from the context that Article 5 was not specially considered. If the allusion to Article 5 should have been unintentional, it would remove some of the difficulty apprehended by us if your Lordship would alter the words "Clauses 5 to 7" in line 2 of paragraph 11 to "Clauses 6 and 7." We anticipate that without some such qualification the remarks to which we have referred might give rise to much misapprehension, to claims for compensation on every petty change of rule, which it would be quite impossible for us to recognise, and to the still further aggravation of agitation and discontent which are injurious to the public service. In connection with this subject, we invite attention to the closing words of paragraph 4 of your Lordship's Despatch No. 64 (Public—Records), dated the 28th August 1890. In this Despatch your Lordship, writing on the subject of a revised edition of the Indian Civil Service Manual, has impressed upon us that "it cannot be stated too distinctly that these rules and orders are liable to alteration by Government at any time and in any manner as regards all its servants."

We have, &c.

Lansdowne,
G. Chesney.
A. R. Scoble.
C. A. Elliott.
P. P. Hutchins
D. Baybour.

Enclosure to Despatch No. 393 of 1890

(No. 5800)

Government of India.—Finance and Commerce Department.—Pensions and
 Gratuities—Rules and General Matters.

RESOLUTION.

Calcutta, 12 December 1890.

Read—

Despatch from the Secretary of State for India, No. 190 (Financial),
 dated 28th August 1890

RESOLUTION—In this Despatch the Secretary of State deals with the recommendations made in the Report of the Select Committee of the House of Commons on East India (Civil Servants). His Excellency the Governor General in Council directs the publication of the decisions arrived at on such of the questions raised as can be disposed of without further reference.

2 In regard to the rate of exchange for payment of pensions, the Secretary of State has decided that all pensions granted in rupees, which are payable at the Home Treasury to residents in the United Kingdom, or which are payable to residents in any other country in which the standard of currency is gold, shall be paid, with effect from the 1st of April 1890, at the rate of exchange annually fixed for the adjustment of transactions between the British and Indian Governments, subject to the condition that the rate of 1s. 9d. the rupee is fixed as the minimum rate at which the conversion into sterling shall be effected

3. In regard to the recommendation of the Committee that some period of furlough should in all cases count as service for pension, the Secretary of State has proposed, and the Government of India has agreed, that one year's leave with allowances in 15 years' service and two years in 25 years' service shall be allowed to count as service for pension, provided that such leave is taken out of India.

4. The recommendation of the Committee that service should qualify for pension from the age of 20, instead of 22, has been accepted.

5. A list of amendments to the Civil Service Regulations is appended to this Resolution, showing the additions and corrections made in accordance with the foregoing decisions.

6. A further Resolution will issue subsequently dealing with the remaining questions regarding the leave and pension rules when they are finally decided.

ORDER — Ordered, that this Resolution be communicated to all the Departments of the Government of India, to all Local Governments and Administrations, to the Comptroller and Auditor General, to all Accountants General and Comptrollers, the Director General of the Post Office of India, the Mint and Assay Masters, Calcutta and Bombay, the Commissioner of Northern India Salt Revenue; and the Superintendent, Government Printing, India.

Ordered also, that the Resolution be published in the "Gazette of India" for general information.

R A Gamble,
Officiating Under Secretary to the
Government of India.

Appendix to Resolution No 5800, dated 12th December 1890

Addenda and Corrigenda to the Civil Service Regulations

Page 30, Article 125, Note 3, for "22" in the sixth line of this note, substitute "20."

Page 58, Article 228 (b), for "22" in the last line of this Article, substitute "20."

Page 96, Article 390 (a), for "twenty-two" in the second line of this Article, substitute "twenty"

Article 391, for "twenty-two" in the first line of this Article, substitute "twenty"

Page 100, Article 409, for "22" in the last line of this Article, substitute "20."

Page 109, Article 445 (a), substitute the following for the first sentence of this Article — 445 (a). Time passed on leave in India other than privilege or subsidiary leave does not count as superior service.

Insert a new Article 445-A as follows:—445-A Time passed on leave with allowances out of India counts as service as follows,—

If the service of the officer is not less than—	He counts as service a period not exceeding—
15 years - - - -	- - - - 1 year
25 years - - - -	- - - - 2 years.

Article 446, add after line 7 of this Article —If the officer's service is not less than 15 years, he counts as service a period not exceeding one year spent on leave with allowances out of India.

Page 110, Article 450, cancel the example under this Article.

Page 134, Article 555, for "Twenty-two" in the third and fourth lines of this Article, substitute "twenty."

Page 159, Article 628, Section 1 (a), add to this Section—(6) Time passed on leave with allowances out of India as follows:—

If the service of the officer is not less than—	He counts as service a period not exceeding—
15 years - - - - -	1 year.
25 years - - - - -	2 years.

Page 178, Article 707, for "twenty-two" in the first line of this Article substitute "twenty."

Page 179, Article 711 (a), add at the end of this clause:—If the officer's service is not less than 15 years, he counts as service a period not exceeding one year spent on leave with allowances out of India.

Page 267, Article 1015 (b), cancel the last nineteen words of this clause; insert a new Article 1015-A as follows:—1015-A. All pensions granted in rupees, which are payable at the Home Treasury to residents in the United Kingdom, or which are payable to residents in any other country in which the standard of currency is gold, are paid, with effect from the 1st April 1890, at the rate of exchange annually fixed for the adjustment of transactions between the British and Indian Governments, subject to the condition that the rate of 1 s 9 d. the rupee is fixed as the minimum rate at which the conversion into sterling shall be effected.

Page 274, Article 1057, substitute the following for this Article:—1057. Pensions stated in Indian money shall, where the standard of currency of the colony is gold, except when it is otherwise arranged, be paid in sterling money at the rate of exchange annually fixed for the adjustment of transactions between the British and Indian Governments, subject to the condition that the rate of 1 s 9 d. the rupee is fixed, with effect from the 1st of April 1890, as the minimum rate at which the conversion into sterling shall be effected. If any payments are made at a different rate or otherwise erroneously, they should be adjusted in subsequent payments.

E. J. Sunkinson,
Secretary to the Government of India.

— III. —

(Financial, No. 125)

To His Excellency The Most Honourable The Governor General of India
in Council.

India Office, London,
25 June 1891

My Lord Marquis.

YOUR Excellency's letter, dated the 17th of December 1890, No 393, has received my very careful consideration in Council; and I have in the first instance to express my approval of the Resolution which you issued on the 12th of that month, regarding the payment of pensions granted in rupees, the amount of absence allowed as qualifying service for pension, and the age for the commencement of such qualifying service, in regard to members of the various Civil Departments who are not Indian Civil servants.

Members of Civil
Departments other
than Indian Civil
Servants —pension
and leave rules mini-
mum furlough allow-
ance

2 I learn with satisfaction that your Excellency has given instructions for the preparation of a short pamphlet containing the principal regulations relating to the leave and pension of such officers.

3 I proceed next to comment on the point raised in paragraphs 9 to 12 of your letter, and I regret to find that my intention in regard to the power of your Government to alter from time to time the Civil Service Regulations has been misapprehended, owing to the somewhat condensed language used in the

11th paragraph of my Despatch of the 28th of August 1890, No 190. When referring to "the right of the Government to change or modify the pension and "furlough rules from time to time," I had no intention of in any way interfering with your Excellency's power in that respect, and I hoped that I had made that clear by adopting the expression that the Government "maintains the "right of altering the regulations when necessary." I cited various cases in which the rules had been altered, and stated my opinion that in none of them had there been any interference with the rights of the servants of the Government.

4. What, however, I wish to convey is that, while proceeding, as hitherto in the manner that may be found most convenient when a new rule has to be adopted, either by deferring its introduction for a certain time after it has been published, or by giving to the officers affected the right of choosing within a given period whether they will come under the operation of the old or the new rules, your Excellency and the Local Governments should not consider yourselves precluded from making or recommending an exception in any case of manifest hardship. For instance, I may refer to that which formed the subject of my Despatch of the 15th of January last, No 7, where the Madras Government, holding themselves not to be responsible for the effect of the alteration which had been made in the rules, refrained from any special recommendation for the grant of such a pension as would have been permissible if the Regulations had not been altered shortly before the memorialist retired.

5. When any such case of apparent hardship arises, the local authorities should understand that, when the officer applies to retire, they are not precluded from examining into its merits, and ascertaining whether, in their opinion, the individual has substantially suffered from the introduction of the rule. If, after comparing the advantages secured to him by the altered rules with any disadvantages incidentally involved, they find that he has on the whole substantially suffered, the point may be taken into consideration in determining whether some modification of the new rules ought not to be permitted in the particular instance.

6. I now proceed to deal with the question which you have treated in the seventh and eighth paragraphs of your letter, namely, the propriety of prescribing a minimum furlough allowance, with a view to the removal of the reluctance to take furlough occasioned by the insufficiency of the present furlough pay. In view of the difficulties surrounding the subject, your Excellency proposes to grant the privilege of a minimum allowance to those officers only who have been specially recruited in England. Such officers have, in your opinion, a special claim on the liberality of the Government when they desire to revisit the country in which they were recruited, and the scale on which they are paid affords a sufficient guarantee that their leave allowances, under a moderate sterling minimum, will not be disproportionately high. You, accordingly, recommend that they be granted a minimum leave allowance of 250 *l.* a year, or their last pay converted at the official adjusting rate, whichever is the less.

7. I concur with your Excellency in thinking that there are certain cases in which it is desirable to guarantee a minimum leave allowance, but I am of opinion that it will be sufficient to give 200 *l.* a year, or 75 per cent of the last salary in India, converted at the rate annually fixed for adjustment, whichever of the two sums may be the less.

8. It is more difficult to determine to what officers this privilege should be granted. Your Excellency would give it to the services recruited in England, on the ground that they are in a different position from that of those recruited in India where the silver standard prevails, and that the Government is not bound to incur expenditure in order to save the latter from loss if they spend their leave in a country employing a different standard of value.

9. It seems to be your intention, accordingly, that the minimum allowance shall be granted not only to the Public Works, Telegraph, and Forest officers but also to schoolmasters, artizans, and others sent from England in an inferior capacity, to undertake duty in India. I presume that the privilege would further

further have to be allowed to all those officers who, though recruited in India, have been or may be hereafter admitted to the more favourable leave rules

10. I fear that the adoption of such a proposal, confined as it would be to persons nominated by the Secretary of State, or with his special sanction, would enhance the anomalies already existing, and would by no means remove the feeling of dissatisfaction which prompted the complaints made to the Select Committee of the House of Commons, and which led them to call attention "to the obstacles in taking furlough arising from the insufficiency of the present furlough pay"

11. On the other hand, the grant of a minimum rate of furlough pay to all the members of the various Departments in India would cause an expense beyond that which the circumstances appear to justify, especially as it might in all probability lead to a considerable increase in the number of absentees who would spend their furlough in England

12. The leave rules are, in my opinion, sufficiently liberal in the concessions made to those who voluntarily take leave of absence, and, if they desire to come to this country, I see no reason for giving them an increase of pay beyond that at present permissible. There is, however, a difference in the case of persons whose health may have broken down in India, and who are ordered by a medical board to seek the restoration of their health in a temperate climate. Such officers have no option in the matter, and it is reasonable to allow them such a moderate amount of pay as may enable them to avail themselves of the leave ordered for them. Hence I am disposed, if your Excellency should agree, to consent to the grant of the minimum rates above-mentioned in cases of sick leave, and to half those rates in similar cases where quarter-pay is at present admissible. I leave it to your Excellency to determine from what date the privilege should commence.

I am, &c.

Cross.

— IV. —

LEAVE AND PENSION.

(No. 4863.)

4 December 1891.

RESOLUTION—By the Government of India, Finance and Commerce Department

Read—

Resolution by the Government of India in this Department, No 5800, dated the 12th December 1890.

Despatch to the Secretary of State, No 393, dated 17th December 1890

Despatch from the Secretary of State, No 125, dated 25th June 1891

RESOLUTION —In the Resolution read in the preamble, the decisions arrived at on some of the recommendations made in the Report of the Select Committee of the House of Commons on East India (Civil Servants) were published. His Excellency the Governor General in Council now directs the publication of the final decisions on the other questions, which arose in connection with the Report of the Committee, and which were in December 1890 held over for further consideration in communication with Her Majesty's Secretary of State for India. These were—

(a) The recommendation contained in the following extract from the Report —

"Your Committee are further of opinion that the greater part of the grievances of the uncovenanted service is due to the ambiguity in which the terms of service have from time to time been stated, and

and recommend that in future there shall be as nearly as possible a uniform scheme, which shall explicitly describe the terms of pension and furlough ”

(b) The following remarks of the Committee —

“ Your Committee have had their attention called to the obstacles in taking furlough, arising from the insufficiency of the present furlough pay, and they recommend this matter to the consideration of the Secretary of State in Council ”

(c) The question as to what action should be taken with reference to the complaints made to the Committee regarding the reservation, in Articles 5 to 7 of the Civil Service Regulations, of the right of the Government to change or modify the pension and furlough rules from time to time, and to interpret their meaning

2 The Government of India are of opinion that the leave and pension rules, as contained in the Civil Service Regulations, are not open to the charge of ambiguity, though from the necessity of the case they are elaborate and complicated. The regulations have acquired their present form in the course of years, the object of the modifications made from time to time having been, while assimilating as far as possible the conditions of service for similar classes in different branches of the Administration, to remove all ambiguity from the rules, and to enable, on the one hand, officers to ascertain their rights and privileges, and, on the other hand, to enable Local Governments and executive authorities to decide without reference to the Government of India the great mass of questions in regard to leave and pension which necessarily come before them

3 In view of the great differences which exist in the conditions of service of the many branches of the public service, and in the circumstances of appointments of officers to different branches and sometimes to the same branch, it is not possible to introduce one scheme of leave and pension rules applicable to all branches of the Civil Service. His Excellency the Governor General in Council considers that the Civil Service Regulations cannot be materially abbreviated or simplified, without risk of causing ambiguity, and a return to the former state of uncertainty which existed before the rules were codified. His Excellency in Council will always bear in mind the desirability of simplifying the rules wherever possible; but the Civil Service Regulations, without any material alteration in form, must for some time continue to be the authoritative declaration of the rules relating to leave and pension.

4. In order, however, that the more important rules regarding leave and pension may be available in a shorter and more convenient form, a pamphlet containing the principal regulations in a condensed form is being prepared, and will be issued hereafter.

5. The remarks of the Committee quoted in clause (b) of paragraph 1 of this Resolution have been understood by the Secretary of State and by the Government of India to have reference to the absence of any minimum furlough allowance. The decision on this question is contained in the following extracts from the Secretary of State's Despatch of the 25th June 1891 —

“ I concur with your Excellency in thinking that there are certain cases in which it is desirable to guarantee a minimum leave allowance; but I am of opinion that it will be sufficient to give 200 l a year, or 75 per cent of the last salary in India, converted at the rate annually fixed for adjustment, whichever of the two sums may be the less

* * * * *

“ The leave rules are, in my opinion, sufficiently liberal in the concessions made to those who voluntarily take leave of absence; and, if they desire to come to this country, I see no reason for giving them an increase of pay beyond that at present permissible. There is, however, a difference in the case of persons whose health may have broken down in India, and who are ordered by a medical board to seek the restoration of their health in a temperate climate. Such officers have no option in the matter, and it is reasonable to allow them such a moderate amount of pay as

as may enable them to avail themselves of the leave ordered for them. Hence I am disposed, if your Excellency should agree, to consent to the grant of the minimum rates above mentioned in cases of sick leave, and to half those rates in similar cases where quarter-pay is at present admissible. I leave it to your Excellency to determine from what date the privilege should commence."

His Excellency the Governor General in Council has accepted these proposals, and has fixed the 1st July 1891 as the date from which they shall have effect.

6 Her Majesty's Secretary of State for India, having examined the particular instances which were mentioned in support of the complaints referred to in Clause (c) of paragraph 1 of this Resolution, regarding the manner in which the right to alter the leave and pension rules had been exercised by the Government of India, expressed the opinion that in none of them had there been any interference with the rights of the servants of the Government. The Government of India have always been careful to exercise the right of altering rules, with due consideration for the rights of their servants. The ordinary course adopted to prevent hardship arising from any change of rule found necessary has been, either to defer the introduction of the change for some time after its publication, or to give the officers affected the right of choosing whether they shall come under the operation of the old or of the new rules. It has been decided that the right of altering rules must be maintained, that care should be taken, as in the past, to prevent the introduction of any new rules from operating harshly, but that the Local Governments and the Government of India should not consider themselves precluded from recommending an exception in any case of individual hardship which may arise in spite of the precautions taken. If any case of apparent hardship arises, the local authorities should understand that, when the officer applies to retire, they are not precluded from examining into its merits, and ascertaining whether, in their opinion, he has substantially suffered from the introduction of a rule not in force at the time he entered the service. If, after comparing the advantages secured to the officer by the altered rules with any disadvantages incidentally involved, they find that he has on the whole substantially suffered, the point may be taken into consideration in determining whether some compensation ought not to be granted in the particular instance.

7 A list of amendments to the Civil Service Regulations is appended to this Resolution, showing the additions and corrections made in accordance with the foregoing decisions.

ORDER—Ordered, that this Resolution be communicated to all Departments of the Government of India, to all Local Governments and Administrations, to the Comptroller and Auditor General; to all Accountants General and Comptrollers; the Director General of Post Offices; the Mint and Assay Masters, Calcutta and Bombay, the Commissioner, Northern India Salt Revenue, and the Superintendent, Government Printing, India.

Ordered also, that the Resolution be published in the "Gazette of India" for general information.

ADDENDA AND CORRIGENDA TO THE CIVIL SERVICE REGULATIONS.

Page 3 — Insert the following as a "Note" after Article 7 — The following extract from a Resolution of the Government of India, No. _____, dated _____, relates to the exercise of the right reserved in Articles 5 to 7, to alter the leave and pension rules from time to time—

"Her Majesty's Secretary of State for India having examined the particular instances which were mentioned in support of the complaints referred to in Clause (c) of paragraph 1 of this Resolution, regarding the manner in which the right to alter the leave and pension rules had been exercised by the Government of India, expressed the opinion that in none of them had there been any

interference with the rights of the servants of the Government. The Government of India have always been careful to exercise the right of altering rules with due consideration for the rights of their servants. The ordinary course adopted to prevent hardship arising from any change of rule found necessary has been either to defer the introduction of the change for some time after its publication, or to give the officers affected the right of choosing whether they shall come under the operation of the old or of the new rules. It has been decided that the right of altering rules must be maintained, that care should be taken, as in the past, to prevent the introduction of any new rules from operating harshly, but that the Local Governments and the Government of India should not consider themselves precluded from recommending an exception in any case of individual hardship which may arise in spite of the precautions taken. If any case of apparent hardship arises, the local authorities should understand that, when the officer applies to retire, they are not precluded from examining into its merits, and ascertaining whether, in their opinion, he has substantially suffered from the introduction of a rule not in force at the time he entered the service. If, after comparing the advantages secured to the officer by the altered rules with any disadvantages incidentally involved, they find that he has on the whole substantially suffered, the point may be taken into consideration in determining whether some compensation ought not to be granted in the particular instance."

Page 83, Article 346 (c) —Substitute the following for this rule —

(c) In the case of any other officer subject to these rules—

If on furlough other than furlough on medical certificate out of India,

MAXIMA

If paid at the Home Treasury of the Government of India, 200 *l* a quarter, no minimum

If paid in India, 666⅔ rupees a month, no minimum

If on furlough on medical certificate out of India

MAXIMA

If paid at the Home Treasury of the Government of India, 200 *l* a quarter

If paid in India, 666⅔ rupees a month.

MINIMA

If paid at the Home Treasury of the Government of India, 200 *l* a year, or three-fourths of last salary, whichever is less

If paid in India, 166⅔ rupees a month, or three-fourths of last salary, whichever is less

Article 347 (u).—Substitute the following for this rule —

(u) If an officer not in the Indian Civil Service or in the Army, to 120 *l* a quarter paid at the Home Treasury, or 400 rupees a month paid in India, or to one-quarter of his average salary, whichever is less. When the furlough is on medical certificate out of India, the following minima shall apply instead of one-quarter salary —

MINIMA

If paid at the Home Treasury of the Government of India, 100 *l* a year, or 37½ per cent of his last salary, whichever is less

If paid in India, 83⅓ rupees a month, or 37½ per cent of his last salary, whichever is less

Article 374 — Substitute the following for this article —

374 (a) — Half "average salary" is subject to the following maxima and minimum —

MAXIMA.

If paid at the Home Treasury of the Government of India, 150 *l* a quarter.

If paid in India, 500 rupees a month.

MINIMA.

(i) On Leave on Medical Certificate out of India.

If paid at the Home Treasury of the Government of India, 200 *l* a year, or three-fourths of last salary, whichever is less.

If paid in India, 166½ rupees a month, or three-fourths of last salary, whichever is less

(ii) On Leave other than Leave on Medical Certificate out of India

In the case of non-gazetted officers whose salary is not less than 300 rupees a month, 150 rupees a month

(b) One-quarter "average salary" is subject to the following maxima and minima —

MAXIMA

If paid at the Home Treasury of the Government of India, 120 *l* a quarter.

If paid in India, 400 rupees a month.

MINIMA

(i) On Leave on Medical Certificate out of India.

If paid at the Home Treasury of the Government of India, 100 *l* a year, or 37½ per cent of last salary, whichever is less

If paid in India, 83½ rupees a month, or 37½ per cent. of last salary, whichever is less.

(ii) On Leave other than Leave on Medical Certificate out of India

In the case of non-gazetted officers whose salary is not less than 300 rupees a month, 75 rupees a month

J. F. Finlay,
Secretary to the Government of India

EAST INDIA (UNCOVENANTED
SERVICE)

RETURN of CORRESPONDENCE between the
Secretary of State for India and the Govern-
ment of India, in relation to the Resolution of
the Government of India of 4 December 1891,
regarding the UNCOVENANTED SERVICE

(*Mr. King.*)

*Ordered, by The House of Commons, to be Printed,
3 May 1892*

[*Price 2½d.*]