M.R.O. 1—32,400—28-11-30.

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 339 Press ~~Mis.~~

Dated 15-6-1857

B. No. 14.1,-18 17-20

Not to be folded or roughly handled

Read again the following letters

From the Accountant General to Government. (Here enter 24th December 1856.)

From Chamber of Commerce to Government. (Here enter 5th March 1857.)

Read also the following

No. 14 A. From the Accountant General; to the Acting Chief Secretary to Government, dated 21st March 1857, No. 414.

SIR,

1. By the Extract* from the Minutes of Consultation, noted in the margin, on a letter from this Office regarding the system of granting Bills upon the local Treasuries, the Government resolved to call upon the Chamber of Commerce for any information or suggestions that it may be in their power to offer towards enabling this Office to make such disposal of the funds in the local Treasuries, as shall meet the requirements of the Commercial body without causing embarrassment to the public service.

* *No. 43, dated 20th January* 1857.

2. Before addressing the Chamber of Commerce, however, the Government desired to be furnished with a Statement of the Specie remittances made to the Presidency during the past year, and of the remittances made from one Provincial Treasury to another, also with information as to the cause of such remittances, and as to the balance remaining in each Treasury after remittance.

3. I have the honor accordingly to transmit, herewith, the Statement required shewing the Remittances from the Provinces to the General Treasury at Madras, distinct from those forwarded from one Provincial Treasury to another. In ordering remittances to the Presidency, it is usual to instruct the Collector to send as much as can conveniently be spared by him after providing for all local demands on his Treasury, including Bills expected to be drawn on it by the Sub-Treasurer; consequently, surplus collections only, usually comprise remittances to the General Treasuries at the Presidency, and at Masulipatam.

4. It will appear from the Statement of remittances to the Presidency, that only a very small balance, of Rupees 22,749, was left, after the remittance was made from Madura in May 1856: it is necessary therefore to explain that at the very time of remittance large collections were coming in and the amount lodged in that Treasury, in the same month, was Rupees 3,52,042. In Mysore, also, a balance of Rupees 1,21,461 was left after the remittance was made therefrom in January 1856, but the subsequent receipts into that Treasury in the same month amounted to Rupees 2,23,146.

5. I have already informed Government, in the sixth para. of my letter, dated the 24th December last, that the remittance of three lacs of Rupees ordered from Cuddapah, in April 1856, was merely the amount which had been sent to Cuddapah in January 1856, from Bellary, for the purpose of meeting the Bills drawn on that Treasury; that remittance,* therefore, may more properly be regarded as a surplus from the Bellary, instead of from the Cuddapah Treasury.

* *To Madras.*

6. It will be seen by the Remittances in the Statement from one Provincial Treasury to another † that, two remittances were made to North Arcot in 1856. The Collections in that Treasury were not sufficient to meet the demands upon it in consequence of the large amount of Bills drawn thereon for Railway purposes. The Collector applied for aid to the extent of six lacs of Rupees, Rupees 5,50,000 were sent to him from Bellary and Chingleput, which proved sufficient.

† *In July* 1856,	*Rupees*	4,00,000
„ *August* „	„	1,50,000
		5,50,000

‡ *In August,* Rupees 3,00,000
„ *October,* „ 2,50,000
5,50,000

7. Two ‡ remittances were sent from Tanjore to South Arcot, the cause of which I have already noticed in the 7th para: of my letter to Government, dated the 24th December last.

§ *In April* 1856 *from Masulipatam General Treasury...* Rs. 2,03,000
„ *September „ from Ganjam* „ 1,50,000
3,53,000

8. Two remittances were also sent to Vizagapatam,§ amounting to Rupees 3,53,000. The receipts into that Treasury fell short of the demands upon it, and nearly a lac and a half of the Collections consisted of Bank Notes, which were remitted to the General Treasury at the Presidency, and hence the necessity of aiding the Vizagapatam Treasury to the extent above mentioned.

9. The above sum of Rupees 3,53,000 was inclusive of Rupees 3,000 worth of small Coins, Rupees 11,300 worth of small Silver and Copper coins were also sent to Rajahmundry. These two remittances of small Coins where sent from the Masulipatam General Treasury, in consequence of there being no opportunity of sending the same from Madras by Sea, and they were much required, at the time, at those Treasuries.

10. I beg to observe with regard to the remittance from Salem to Mysore in July 1856, that a remittance of four Lacs of Rupees had been previously ordered to Mysore from Canara, but the then state of the weather there, having proved unfavorable for the march of the Escort, and a remittance being urgently required by the Commissioner in Mysore, for payment of the Troops, it was ordered to be sent from Salem.

11. Another remittance from Canara was despatched on the 24th November last, and is probably the one referred to in the letter from Government under reply. This remittance was ordered to Madras, but as it appeared from the Estimate of the Commissioner in Mysore, received subsequently, that he would require aid to his Treasury about July next, and he morever intimated that no provision was made in it for the payment of the 12th Lancers who were then expected back at Bangalore, he was requested to stop the remittance at Bangalore, on its way to Madras, and to take charge of it; retaining Rupees 4,70,000 to meet the expected demands on his own Treasury, and holding Rupees 30,000 consisting of uncurrent Coins, ready for eventual remittance to the Presidency. The remittance arrived at Bangalore on the 18th December last.

12. Under the orders of the Government of India, dated the 16th September 1853, communicated to this Office by this Government on the 28th Idem, the surplus funds in the Districts on the Malabar Coast and Coimbatore, from which it was customary to supply the Bombay Presidency with funds, were, until further instructions, to be remitted to the General Treasury at Madras for the service of the Government of India. Those orders have never been countermanded, but it was not on that account that the surplus funds in the Canara Treasury were ordered by me to be sent to Madras, both on the above, and on the previous occasion in May 1856. The real cause was the expected deficiency of funds for the uses of this Presidency: and orders || arrived from the Government of India to draw into the General Treasury the surplus funds from all the Provincial Treasuries. The Financial Secretary to the Government of India had been previously informed,—in reply to a telegraph message¶ inquiring why I was unable to supply any more funds to Bombay—that in consequence of the increased and increasing expenditure on account of Public Works, Railway, &c. it was desirable to draw the surplus balances in the Western Treasuries to the Presidency, but that I had intimated to the Accountant General at Bombay, if he wished to draw upon any Madras Treasury, to let me know, and I would inform him whether his Bills might be drawn.

|| *Vide Extract Minutes of Consultation, dated 26th June* 1856, *No.* 304.

¶ *dated 20th Februry* 1856.

13. Until last year, it was not found necessary to send remittances to Mysore; on the contrary, the condition of that Treasury was such as to admit of remittances being made from it to supply the wants of other Treasuries:—but now that the whole of the Debt due by the Mysore State to the British Government, and the Interest upon it, has been liquidated, the last payment towards it having been made in February 1856, it will be necessary, in order to meet the demands on that Treasury, replenish it from other Treasuries, and this assistance will perhaps have to be drawn from the Canara Treasury, except when an opportunity offers (which seldom happens) of bringing round the surplus Collections in the Western Coast Treasuries to Madras by sea, in which case the remittances to Mysore may be made from Salem or Coimbatore.

14. In the last para. of the Extract from Minutes of Consultation under reply, I am requested to state what is the practice with regard to cashing Government Bills at Talook Treasuries when payment is there required instead of at the Hoozoor Treasuries. By a Circular from this Office, dated the 28th October 1845, Collectors were authorized, when a Bill became due, and the funds in a Talook Treasury would admit of its payments there, and such payment in other respects was unobjectionable, to cause payment of it to be made at the Talook Treasury, if the holder desired it, but they were distinctly given to understand, that funds were not to be *reserved* in Talook Treasuries *expressly* to meet such payments. The practice therefore exists of Government Bills being discharged at Talook Treasuries, but this is arranged between the Collector and his subordinates without reference to this Office,—some Bills from the acquittance given on the back of them shew that they have been discharged at Talook Treasuries, but others may have been so paid and not so distinguished, seeing that there is specification made in the Bills generally as to whether they have been discharged at a Talook or at the Hoozoor Treasury. I have reason to believe however that the number of Bills paid at Talook Treasuries is very limited as compared with those paid at Hoozoor Treasuries.

15. These observation do not of course apply to Bills drawn on account of the Madras Railway. For the payment of these Bill funds are expressly provided in the different Talooks at which they are required. They are confined at present to the districts of North Arcot, Salem, Coimbatore and Malabar, the South Western Line of the Railway, and in a few instances Bills have been granted on Treasuries in the North Western Line, in the districts of North Arcot and Cuddapah. A List is furnished to this Office quarterly, by the Agent and Manager of the Madras Railway Company, shewing the particular Talooks in which funds are required during the ensuing quarter, and the amount required at each Talook, when the Collectors are instructed to arrange for the provision of funds accordingly.

(Signed) G. L. PRENDERGAST,
Accountant General.

STATEMENT of Remittances in Specie forwarded from the Provincial Treasuries to the General Treasury of Fort Saint George, and from one Provincial Treasury to another, with explanation of the cause thereof, shewing the balance left in each Treasury after Remittance therefrom, during the year 1856.

Date of despatch of Remittances.	From and to what Treasuries.	Amount of Remittances.	Balance left after each Remittance.	Explanation of the cause of Remittances.
	Remittances from the Provinces to the General Treasury at Madras.			
1856.				
16th January... ...	Mysore to General Treasury, Fort St. George	2,00,000	1,21,461	Being surplus funds.
2nd April..... ...	Chingleput to do. do. do...	1,50,000	1,33,406	
7th do.	Bellary to do. do. do...	3,00,000	5,40,000	
15th do.	Malabar to do. do. do...	3,13,505	7,80,303	Do. surplus Collections.
17th do.	Nellore to do. do. do...	7,00,000	1,96,273	
19th do.	Travancore to do. do. do...	4,25,000	1,71,031	Do. surplus funds.
23rd do.	Cuddapah to do. do. do...	3,00,000	9,23,657	In lieu of the like sum previously sent to him from Bellary to meet Bills on his Treasury.
28th do.	Coimbatore to do. do. do...	3,00,000	9,76,139	
7th May..... ...	Tinnevelly to do. do. do...	6,10,000	5,52,152	
10th do.	Canara to do. do. do...	13,00,000	3,63,604	Being surplus Collections.
10th do.	Madura to do. do. do...	9,00,000	22,749	
13th do.	Salem to do. do. do...	4,00,000	5,66,779	Do. do. do.
19th do.	Vizagapatam to do. do. do...	41,105	2,82,873	Do. uncurrent Coins.
31st do.	Trichinopoly to do. do. do...	2,00,000	3,63,583	
7th June..... ...	South Arcot to do. do. do..	2,00,000	7,25,359	
18th do.	Tanjore to do. do. do..	15,00,000	12,76,435	
25th do.	Chingleput to do. do. do...	1,00,000	2,61,838	Do. surplus Collection.
7th August.	Nellore to do. do. do...	3,00,000	4,43,630	
22nd do.	Tanjore to do. do. do...	4,00,000	2,95,818	
	Remittances from one Provincial Treasury to another.			
21st January.....	Bellary to Cuddapah.....	3,00,000	5,54,704	To meet the demand for Bills on Cuddapah.
31st do..... ...	Guntoor to General Treasury, Masulipatam	3,00,000	1,99,201	Surplus Collections in the Guntoor Treasury.
29th February.....	Do. do. do.....	2,00,000	2,33,927	
12st March.....	Rajahmundry to Ganjam.....	2,00,000	7,32,615	To meet the demand for Bills on Ganjam.
21st March.....	Bellary to Hyderabad.....	1,00,000	9,73,413	Required by the Resident at Hyderabad in aid of his Treasury, including 500 Rupees worth of small Silver Coins.
31st do.	Guntoor to General Treasury Masulipatam.	3,00,000	1,74,288	Surplus Collections in Guntoor.
23rd April	Masulipatam Genl. Treasury to Vizagapatam	2,03,000	12,31,485	Required by the Collector of Vizagapatam in aid of his Treasury, including 3,000 Rupees worth of small Silver and Copper Coins.
30th do.	Guntoor to Masulipatam General Treasury.	1,50,000	1,48,133	Surplus Collections.
27th June	Masulipatam Genl. Treasury to Rajahmundry	11,300	10,96,150	Required by the Collector of Rajahmundry, consisting of small Silver and Copper Coins.
21st July	Salem to Mysore..... ..	2,50,000	3,90,259	Required by the Commissioner of Mysore, in aid of his Treasury.
24th do.	Kurnool to Bellary.....	1,00,000	2,36,775	To supply the place of part of a Remittance of Rupees 4,00,000, ordered from Bellary to North Arcot.
29th do.	Bellary to North Arcot.....	4,00,000	6,19,201	Required by the Collector of North Arcot, in aid of his Treasury, including 1,00,000 Rupees worth of small Silver Coins.
11th August.....	Chingleput to do.	1,50,000	1,02,052	Required by do., in aid of his Treasury.
17th do.	Tanjore to South Arcot.....	3,00,000	12,28,161	To meet an expected deficiency of funds, in consequence of the large provision made for Bills, and for Bills actually drawn on South Arcot.
11th September.....	Nellore to Cuddapah.....	1,00,000	2,68,356	Sent to Cuddapah in consequence of Bills thereon having been drawn in excess of the amount provided for them.
23rd do.	Ganjam to Vizagapatam.....	1,50,000	4,74,149	Required by the Collector of Vizagapatam, in aid of his Treasury.
27th October.	Tanjore to South Arcot.....	2,50,000	7,25,550	Forwarded to South Arcot to meet the demand for Bills on that Treasury.
20th do.	Madura to Tinnevelly.....	2,50,000	2,55,081	Do. to Tinnevelly do. do. do.
24th November.....	Canara to Mysore.....	5,00,000	2,72,246	Rupees 4,70,000 required by the Commissioner, in aid of his Treasury, and Rupees 30,000 in uncurrent Coins, to be eventually sent to the Presidency.
31st December.. ...	Guntoor to Masulipatam General Treasury.	2,50,000	1,39,367	Surplus Collections.

(Signed) G. L. PRENDERGAST,

Accountant General.

Fort Saint George, Financial Consultation, 16th June 1857.

No. 15. From the Accountant General; to the Acting Chief Secretary to Government, dated 16th May 1857, No. 15.

Sir,

1. In the Extract Minutes of Consultation, dated 23rd March last, Government referred to me a letter from the Chamber of Commerce, dated the 5th Idem, with instructions to submit my opinion on the several suggestions offered by it, and also to report on its request for the abolition of the fees charged for Bills granted on the local Treasuries. I was further required to state the amount annually realized from such fees for the last five years, and whether they are levied at Calcutta and Bombay.

No. 175, in the Financial Department.

2. I have now the honor to make my report.

3. The first important point under discussion is how to obtain previous information of the extent to which Bills will be taken up by Merchants and Traders on the several Provincial Treasuries in each month of the year, in view to the reservation of the requisite funds in the Provinces; and thus to confine the transfer of Specie, to the General Treasury, to the smallest possible amount. The advantages resulting from this measure, well known before, have been repeated by the Chamber. It is unnecessary to recapitulate them here.

4. The Chamber has explained at length the inability and aversion of individual firms, to declare the requirements or demands for Bills on the Provincial Treasuries, it has suggested nothing new. It harps upon what has been the practice, and advises that the several Collectors shall be looked to for the periodical information I require on this point. The Collectors have been invariably requested to make ample provision for Bills to be drawn on their respective Treasuries in the half yearly estimates furnished to me, and even on occasions of ordering remittances in Specie, they are reminded of the necessity of reserving sufficient funds in their Treasuries to meet Bills to be drawn on them. They are requested to assume the amount on the best possible data.

5. I shall now forward to them an extract from the letter of the Chamber under reply, containing its views as to how the extent of the demand for Bills is to be ascertained, and request them to make what use they can of its suggestions in furnishing me the estimate for the second half of the Current year 1857, as well as for future half years.

6. The suggestion, on which the Chamber seems to lay great stress, only, purports to give "some idea" of the probable demands. It does not shew me my way to the practical information which I am ever seeking. It leaves us pretty much where we were. I will quote here that part of para: 4. "It may generally be considered as a safe guide by which to form some "idea of the probable demands upon a Mofussil Treasury that it would be at least on a scale "equal to the value of the exportable productions of that district, allowing for what may be consumed in immediately adjoining districts, and whenever there may happen to be a large stock "in the hands of the ryots or produce brokers of articles intended for transmission to a distance, "it may be generally assumed that, sooner or later, the same will be bought and paid for by Bills "on the Provincial Treasury." This "sooner or later" is the essence of all my difficulty, I am so restricted in respect to leaving cash balances that I dare not leave large sums to be taken "sooner or later". Suppose I allow large sums, to await their orders, in particular Treasuries, and the merchants fail to take bills. The specie will be afar off, distances and perhaps monsoons intervene, but the pressure is instant; it is in the General Treasury.

7. The next point adverted to by the Chamber is the "revision of the present system of "granting Bills on the Mofussil Treasuries, which they had, is attended with great inconvenience "and from the practice of advertizing only a limited sum at a time, produces a needless competition, "the result of which is a multiplicity of applications on behalf of parties under different signatures to an extent far beyond their actual wants. The Chamber would prefer the bi-weekly "notices of the Accountant General to be confined to the specification of the Districts on which "he is prepared to draw, without mention of the amount, parties might then apply for such sums "as may suit their purpose, previously paying the same into the Bank of Madras to the credit of "the Sub-Treasurer, and handing the receipt with their application, and should the Accountant "General, in apportioning the available funds to the several applicants, not be able to satisfy each "demand in full, he might return the Balance by the Sub-Treasurer's Cheque on the Bank to "the respective parties."

8. The difficulty experienced, which it is the object of this proposal of the Chamber to remove, is not of frequent occurrence. But it is serious when it does occur. The omission of the specification of the available funds in the advertisements would not, I think, be any remedy, a little light is better than utter darkness. The merchants would then have no guide whatever, and would have to proceed entirely by guess, would not some parties seek, and acquire, surreptitiously, that information which is now given openly to all? one reason why the existing arrangement was introduced, was that the Accountant General was believed to favor certain parties. He had it in his power to do so, now all parties stand equal, and each claims an equal share of the available funds, and has his claim allowed.

9. There is another reason why this specification of the available funds should *not* be omitted. This specification limits the amount within which each application must be confined. If we withdraw the specification, we remove the limit. The opulent merchant will *then* be at liberty to put any amount (say 5 lacs) in his application and he will be pretty sure of the Lion's share, whereas the small Trader will not dare to go such a length, and will accordingly be deprived of his modicum almost altogether, *now* the *number* of applications sent in by combined parties augments their share, and I see no way of preventing this. But if the limit be removed the richer will drive the less monied men out of the field on these trying occasions.

10. As the subject of the sixth para: of the letter from the Chairman of the Chamber concerns the Sub-Treasurer, in his transactions with the Bank of Madras, I thought it advisable to send to him an extract* of the letter in question, and asked him to favor me with his sentiments on the proposal contained therein. The enclosed is a copy of the Sub-Treasurer's reply. He does not consider the proposition of the Chamber, so far as the Treasury is concerned, to be feasible. The payment† of sums into the Bank in excess of the amount which might be granted would be attended with much trouble and inconvenience, as every transaction would require to be entered in the Books of the Cash department. In the Bank too, doubtless, some additional labour will be entailed. The Account of the Bank is comprized of the amount of Cheques drawn on it by its constituents, but no Cash payment or other draft towards the Account are received there, the proposition therefore of paying for Bills prior to the application being passed would, as matters now stand, exclude the grant of Bills to those parties who have no account or transaction with the Bank. The Sub-Treasurer does not think it expedient that existing arrangements should be disturbed.

* *Para*: 6. *Which reached me only on the 5th Inst.*

† *The Merchants suggested similarly once before, that a deposit of ten per cent on the amount of each application into the Treasury should be compulsory. This porposal was negatived as being open to valid objection.*

11. I entirely concur with the Sub-Treasurer in the opinion expressed as above set forth. A compliance with the proposal of the Chamber, if no Cash payments into the Sub-Treasurer's Account is to be allowed will throw into the hands of a few of the Firms and Merchants, who keep Cash Accounts with the Bank, a Monopoly of Bills on the Provincial Treasuries to the utter exclusion of Native, and other Merchants, who have no accounts with the Bank, from a participation of the advantage of obtaining Bills. These Merchants I believe obtain Cash, by raising loans or by some such means, after their applications for Bills have been passed, and frequently tender Cash to the Sub-Treasurer on the 5, or last day on which the period for such payment expires, and on some occasions they anxiously offer cash on the 6th day. They cannot borrow money in anticipation of a compliance of their application for Bills, for if they do so, they will be losers of interest on the sum so borrowed, in the event of their applications being either thrown out or only partially complied with. It is unfair to exclude merchants and other persons thus circumstanced, from the benefit of the Bill operations because those Merchants and Agents who have Accounts with the Bank desire the change.

12. I consider that the proposal, if granted, would work unequally in another point of view. It would cause the ryots, or produce brokers of articles intended for exportation, or transmission to a distance, to sell the articles at a disadvantage to the Agents of those firms, because they will be few, and they will then alone have the privilege of remittance by Bills. Under the present

system of granting Bills all participate in the advantage of this form of remittance, and there is thus some competition amongst the many who are striving to purchase the produce. This competition affords means to Ryots and produce brokers of obtaining better prices for the produce than they would obtain if the purchases were confined to only a few Capitalists.

13. I would also ask whether it is quite the thing to require a merchant to pay down Cash in the first instance for a Bill he may apply for, thus binding himself to take the same, while I on the other hand cannot as the Officer of Government in this emergency, engage to grant the Bill in full. Payment of Cash can hardly be made compulsory before both parties, the applicant and the granter, come to open understanding and mutually make a known contract.

14. It is true instances have occurred in which a multiplicity of applications on behalf of the same parties for Bills on the same Treasury have been presented to me. Whenever a run is made for Bills upon a Provincial Treasury this mode of overcoming the difficulty is resorted to. I have not been able to devise any complete check to it. Each applicant endeavours to secure for himself the lion's share of the available funds; at one time, before the registry of the merchants and native traders was introduced, the natives employed their friends and even their servants to sign applications for them. To keep pace with this invention, the partners of some of the best of the firms have not been above resorting to the expedient of sending in *individual applications* for Bills on the same Treasuries, when the full sums applied for were granted perhaps they would not pay and take up all the Bills.

15. Supposing it were to be permitted to the mercantile community to pay Cash into the Sub-Treasurer's Account at the Bank, which permission, as I read the letter of the Chamber is solicited, it would practically make the Bank a branch of the General Treasury. The specie would flow in too largely to be left there; who would be responsible for its transfer to the General Treasury? It could not be left in the Bank, the Bank would hardly undertake the charge and expense of its conveyance to the Treasury, so the duty would devolve on the Sub-Treasurer upon whom I am of opinion it ought not to be imposed merely to meet the convenience of the mercantile community.

16. I come to the 3rd point under reference. The Chamber urge that the Railway Company should be treated as all other applicants instead of monopolizing the entire Funds available in those Districts where their Works are in progress to the exclusion of the Merchant. I do not concur in this view. The Works of the Railway Company are, in present importance, second only to the Public Works of Government, and preference may therefore I think be given to the furtherance of the operations of the Railway, as a work of Public utility. Government have a main interest in the prospects of the Railway. They guarantee * 4½ per cent Interest to the Shareholders. They sustain the expenses † of lands required for the Railway, and of its supervision and further the Government *may* be eventually purchasers of the Railway in the manner laid down in Article 23 of the Agreement. The Government moreover have the public Mails and Post Bags, Troops and Treasure, conveyed by Rail.

* *Vide Article* 16 *of the Agreement for the construction of the Madras Railway.*

† *Articles* 9 *and* 10,

17. The Ryots and produce Brokers in the Mofussil will also derive advantage by the speedy conveyance of articles to a good Market in time. If advances necessary for the erection of the Railway be not made, from time to time as required, the progress of the Works will be impeded, and the Government will suffer indirectly.

18. The 4th and last point on which my opinion has been required by Government is the solicitation of the Chamber for the abolition of fees on the Bills on Provincial Treasuries, which they state are a tax upon Trade, whilst the amount so raised can be of no possible moment to Government, into whose Coffers they now fall as the present Accountant General is paid a consolidated salary.

Para. 7.

19. If the amount is so small as to be of no moment to Government, the argument equally touches the Merchants, say the fees be abolished, it will be a slight gain to each of many Merchants. The loss will fall, in its bulk, upon Government. I do not myself see why, when

Government, in their need, covet even a few Rupees deductions from salaries and Establishments, why they should throw away this course, though not so abundant as it might be made, of Revenue. The rates were apparently fixed not with any reference to the state of Trade, but with a view to form a small substitute for salary to the Deputy Accountant General, I would suggest whether, the name of fees, which grates on the public ear, being changed, a percentage might not be levied on the Bills graduated as the amount granted became larger, because the larger the amount the more valuable is the Bill to the Merchant. I merely throw out the suggestion here. I do not think the present or futuree ffect of imposing this fee or premium is or would be to check Trade. Who pays the fee, eventually? not the Ryot, nor Merchant here, but the foreign purchaser. The rates at which these Fees have been hitherto taken are very trifling, while the amount derived has been upwards of ten thousand Rupees on an average of the last five years as inserted in the margin for the information of Government.

		Fee.
Up to 1000	*Rupees*	1
from 1001 *to* 2000		2
2001 *to* 3000		3
3001 *to* 4000		4
4001 *to any sums above it*		5

* *In* 1852-53.....	*Rupees*	9,762	
1853-54.....	„	10,456	
1854-55.....	„	11,153	
1855-56.....	„	8,449	
1856-57.....	„	11,384	
	Total.....	50,904	
Average per year....		10,180	12 9

20. The Remitters of money for the purchase of produce of the Country derive large profits on exporting those articles for European or Foreign Markets, and adding or comparing the trifling fees under discussion with the expenses of transport, commission on purchase, &c. &c., and the large profits derived, it can hardly be argued that this trifling charge is in any way a check on Trade. The expenses and risk attending the remittance in specie either by sea or land, or by Merchant's Bills or Hoondees, when such are procurable, which are saved to the Merchants by the grant of Government Bills, must also be considered when the point is fairly argued. The levy of fees on applications complied with, before the same are returned to the Agents or servants of the applicants, serves also in a certain degree as a check against parties getting applications passed when there is no necessity for Bills. Since the fees have been levied on passed applications before delivery thereof, fewer applications are dropped. Before the present practice was introduced and fees were collected on the issue of Bills, many passed applications were dropped, and the Bills were not taken up.

21. Copies of the replies from the Financial Secretary at Calcutta and the Accountant General at Bombay to the enquiries made by me are herewith submitted. It would appear that in Calcutta the levy of fees on drafts has been discontinued, and as drafts are only given to suit the convenience of of Government, the question of premium or discount is regulated at the descretion of the Accountant General by the demand for Bills and the inconvenience || which Government would incur by being forced to resort to specie remittance. Premium is also levied on all Bills granted to the Railway Company at the rates of 8 annas and 1 Rupee per cent to meet the cost of specie remittance. The Premium levied is paid into the General Treasury to the credit of Government.

Received by Electric Telegraph.
1 *from Calcutta.*
2 *from Bombay.*

|| " *Companies* " *in the Telegraph message.*

22. In Bombay, the Accountant General states that no Office or Clerk's fees are now levied on Bills drawn by that Government on any Treasury. Premium is realized only on the remittance to Bombay of the surplus funds of Broach and Surat at rates varying from half an anna

¶ *Supply Bills are not issued from Bombay on District Treasuries except when the Collectors are unable to remit their surplus Funds by negociation. The Collectors grant Orders to those desiring Funds from their Treasuries on the Sub-Treasurer to receive the amount within* 30 *days, and*

on presentation of the Sub-Treasurer's receipt, corresponding amount is paid to the parties less the premium previously settled.

Under the orders of the Government of Bengal, dated 31st August 1842, communicated in Extract Minutes of Consultation, dated 19th September of the same year.

	Amount of Bills		*Premium at 2 per cent.*
1852-53	25,700	.....	514
1853-54	52,700	.....	1,054
1854-55	45,200	.....	904
1855-56	43,500	.....	870
1856-57	18,650	.....	373
Total	1,85,750		3,715
Average per year.	37,150		743

to 9 annas per cent according to the local rates of exchange. Between 4,000 and 5,000 Rupees is realized under this head yearly, which is credited to Government.

23. The only premium realized at this Presidency is on Bills granted by the Sub-Treasurer on the Collector of Chittagong at the rate of two per cent, the limit to which such Bills can be drawn is half a lac per annum. These Bills have been taken to the extent shewn in the margin, during the last five years, and the premium gained on the average of those five years amount to Rupees 743.

24. If it be deemed necessary to discontinue the Fees levied on passed applications for Bills to meet the wishes of the Chamber, I am of opinion that the interests of Government indicate that in lieu thereof a premium should be substituted on all passed applications. Government will thus be no losers by the abolition of fees. Premium appears to be levied on Bills both in Calcutta and Bombay, why should it not be introduced here; at least on Bills drawn on those Districts the produce of which is abundant and affords Merchants ample means of effecting large profits in Foreign Markets.

I have already thrown out the suggestion in paras: 19 & 20 of this letter, I return to the subject here for a moment.

25. The rates of premium might be fixed by the Accountant General from time to time at his discretion, with reference to the exigencies of the times, and the financial operations of Government. This appears to be done in Calcutta. Taking the Premium at 4 Annas per cent. on the total amount of Bills to be drawn on the Provincial Treasuries, it would amount to no less than Rupees 25,000 per annum.

Bills drawn in 1855-56, Rupees 1,01,25,728 ¼ ℅ cent. on that sum is Rupees 25,314.

26. Premium should also, I think, be levied on all Bills granted to the Railway Company at the rate of* 8 Annas per cent. as Specie remittance Funds are generally reserved in Talooks to meet the demand of the Railway. The example of taking a Premium on these Bills has been set in Calcutta.

**Being the lowest of the two rates levied in Calcutta on such Bills.*

(Signed) G. L. PRENDERGAST,
Accountant General.

From S. D. BIRCH, Esq., Sub Treasurer; to G. L. PRENDERGAST, Esq., Accountant General, dated 5th May 1857, No. 14.

SIR,

I have the honor to acknowledge the receipt of your letter of the 28th March last, No. 1072 relative to a proposition of the Chairman of the Chamber of Commerce, for parties paying into the Bank of Madras of the credit of the Account with the Treasury, such sums as may suit their purpose for Bills on the Provincial Treasuries, handing the Bank Receipt to you with the application and in the event of your being unable to satisfy demands in full, the balances are to be returned by cheques from this Office.

The proposition, so far as the Treasury is concerned, does not appear to be feasible. The payment of sums into the Bank in excess of the amount which might be granted would be attended with much trouble and inconvenience, as every transaction would require to be entered in the Books of the Cash Department. In the Bank too doubtless some additional labour will be entailed.

When reporting upon the opening of an Account at the Bank, I stated to Government, that it would simply take the place of the Bank Note Account, and in this view, in which they concurred, the account has been worked. The Balance as exhibited in the Account Current kept at the Treasury rarely differs from the pass Book written up every morning at the Bank and transmitted daily to this Office; any difference arises merely from the Receipts for monies carried to account at the Bank being presented after business hours, or the following day. But under the arrangement proposed, it will be hardly possible to calculate the actual balance to the credit of Government, as the Account will consist of sums or portions of sums that are returnable.

The Account at the Bank is comprised of the amount of cheques drawn on it by its Constituents, but no cash payments, or other drafts, towards the account are received there, the proposition therefore for paying for Bills prior to the application being passed would exclude the grant of Bills to those parties who have no account or transaction with the Bank.

I do not think it expedient that existing arrangements should be disturbed.

(Signed) S. D. BIRCH,
Sub-Treasurer.

(True Copy.)
(Signed) W. H. ARBUTHNOT,
Acting 2nd Assistant Accountant General.

Message from Bombay. } To Madras.
From Accountant General. } To Accountant General.

Number of words 75. Prepaid Repetition Price.

Since January last no Office or Clerk's fees have been levied on Bills drawn by this Government on any Treasury, and Premium is realized only by the Collectors of Broach and Surat, in remitting their surplus funds to Bombay, at rates varying from half an Anna to nine Annas per Cent, according to the local rates of exchange. Between four and five thousand Rupees is realized under this head yearly which is credited to Government.

ELECTRIC TELEGRAPH OFFICE, MADRAS *the 1st April* 1857.

(Signed) C. VEGIARAGAVOOLOO,
For Inspector in Charge.

No inquiry respecting this message can be attended to without the production of this paper.

N. B. Please entered time of delivery.
Despatch 1-45 P. M.

(True Copy.)
(Signed) W. H. ARBUTHNOT,
Acting 2nd Assistant Accountant General.

Message from Bombay 14th May. To Madras.
From Accountant General. To Accountant General.
Number of Words 100. Prepaid Repetition Price.

Supply Bills are not issued from Bombay on District Treasuries, except when the Collectors are unable to remit their surplus revenue by negociation. Any one desiring funds from their treasuries is granted by them an Order on the Sub-Treasuries to receive the amount within that thirty days, and on presentations of the Officer's receipt, corresponding amount is paid less the premium

as before settled, in preference to the bazar rate of exchange. If desired intimation of the receipt of the money is also communicated by Electric Telegraph to the Collector by this Department at the Cost of those accommodated.

(Signed) C. VYRARAGAVOOLOO,
Head Signaller.

ELECTRIC TELGRAPH OFFICE,
MADRAS the 15th of May 1857.

No enquiry respecting this Message can be attended to without the production of this Paper Despatched.

N. B. Please enter time of delivery.

(True Copy.)
(Signed) W. H. ARBUTHNOT,
Acting 2nd Assistant Accountant General.

No. 35.

Message from Calcutta 9th April. To Madras.
From Financial Secretary. To Accountant General.
Words 136 Service Repeat.

Your message of the 28th March has been received. The levy of fees on drafts granted to the public on Collectors' Treasuries has been discounted and as drafts are only given to suit the convenience of Government, the question of premium or discount is regulated at the discretion of the Accountant General by the demand for Bills and the inconvenience which Government would incur by being forced to report the specie remittance, premium is also levied on all Bills granted to the Railway Company, at the rates of eight Annas and one Rupee per cent, to meet the cost of specie remittance, the former for Bills on the Treasuries of the lower and the latter on those of the upper provinces. The premiums levied is paid into the General Treasury to the credit of Government.

ELECTRIC TELEGRAPH OFFICE,
FORT SAINT GEORGE,
10*th April* 1857.

(Signed) V. THANDOWARAYEN,
for Inspector in Charge.

(True Copy)
(Signed) W. H. ARBUTHNOT,
Acting 2nd Assistant Accountant General.

No. 16. ORDER THEREON, No. 339; dated 15th June 1857.

1. In the first of the letters above recorded, the Accountant General brought to the notice of Government that his inability to comply with applications for Bills on the Provincial Treasuries at all times and places, was the cause of much official anxiety to himself, and dissatisfaction to the Mercantile Community at the Presidency. The General Treasury, he observed, is supplied partly by Bills drawn upon Provincial Treasuries, and partly by remittances of Specie from the latter. Large sums are not allowed, under the General Rules, to be retained in the Provinces; accordingly if applications for Bills on any particular District are slack, the surplus Specie, is remitted to Madras, such a margin being left, as it is estimated may, with growing collections, meet the requirements of Merchants. These Estimates, however, are of course of no great value there being no reliable information on which to base them. It frequently happens that an application for Bills to a large amount is made just at the moment when the Provincial Treasury has been drained of its Specie. The calls made by himself and his predecessor on the Commercial-body for such information as may lead to a more satisfactory state of things have not, he complain

ed, been attended with any practical result. I would very much facilitate his labours if the Chamber of Commerce could inform him, how half-yearly in December and June he may best make an Estimate of the probable amount of Bills that will be required on each Provincial Treasury, and in each month, during the following six months of the year.

2. On the 20th January following, the Government referred the foregoing communication to the Chamber of Commerce, with a request that that body would be good enough to state what suggestions they would propose in view to enable the Accountant General to meet the demands of the Mercantile Community, without unduly locking up the public funds and occasioning financial inconvenience to Government. The question, the Governor in Council remarked, was of no less importance to the Government than to the Merchants of Madras. They would gladly save the risk, expense and inconvenience of bringing Treasure to the Presidency; nor were they unmindful that every thing tending to subserve the requirements of the Trader and Agriculturist and to promote an extension of cultivation must have a direct effect in increasing the public revenue also.

3. On the same date the Government called upon the Accountant General to submit Statements exhibiting (1) the amount of Treasure remitted during the past twelve months from Madras to the Provinces, and *vice versa*, and from one District to another; (2) the reasons for such remittances, and (3) the balance left in the Remitting Treasury. Understanding further that, towards the close of the year, Specie had been sent to Madras by *land* from Mangalore, they desired to know what the amount was, whether it had yet arrived, and finally, why it had not been sent by sea to Bombay. Mr. Prendergast, lastly, was to explain the mode adopted in cashing Government Bills at *Talook* Treasuries, when payment is there required, instead of at the Collector's Station.

4. The reply of the Chamber was furnished to Government by the Chairman on the 5th March. They observed that the safest method of estimating the *amount* of the Bills likely to be required in a District is to learn the amount and value of *produce* available in such District for Exportation. As to the *time*, at which such Bills would be drawn, more exact calculations may be made, the seasons of harvest being fixed and well known. More than this they are unable to say. The course of trade is liable to great fluctuations, and it is impossible for a Merchant to tell at what particular period his wants may arise, dependent as the same frequently are on contin gencies not within his immediate cognizance or control.

They then proceed to state that they will avail themselves of the present opportunity to protest against the present plan adopted by the Accountant General of advertising a limited sum on a Provincial Treasury. The system, they remark, is productive of needless competition among the Mercantile body, the result of which is a multiplicity of applications on behalf of the same parties under different signatures, to an extent far beyond such parties' actual wants. They propose that the *District* alone be advertised, not the *amount*. Parties applying should, then, previously pay in the sum for which a Bill is required to the Sub-Treasurer and hand his receipt to the Accountant General with their application; and it would be the duty of that Officer, if unable to comply with every application, to apportion the sum available among the several applicants, returning the balances by the Sub-Treasurer's Cheque on the Bank to the different parties. Fees, they think, might be abolished altogether, and the preference, finally, at present given to the applications of the Railway Company should be dispensed with.

5. This letter was referred to the Accountant General for his opinion on the several suggestions offered by the Chamber, and he was instructed to give a return of the amount annually realised by the levy of Fees, for the last five years, and to state whether any are required to be paid for Bills at the other Presidencies.

Extract Minutes Con. 23rd March 1857.

6. Meanwhile an answer was received from the Accountant General to the requisition of Government, conveyed in Extract Minutes Consultation of the 20th January. The Statements called for in regard to the remittances of Specie during the past year were submitted; and with respect to the information required as to payments in *Talook* Treasuries, Mr. Pren-

From Accountant General, 21st March.
Received 23rd March.

dergast explains that, as far as the Accountant General's Office is concerned, the Agent of the Railway Company alone has the privilege of obtaining Bills payable at such localities. Collectors are allowed to make their own arrangements for the payment of Accountant General's Bills at a Talook Treasury, should the party desire it, but funds are not to be expressly reserved in a Talook, for such purposes.

7. In the list given of remittances of Specie, some, the Government must remark, appear to have been scarcely necessary. Arrangements they are convinced could be effected by which much of the labor, trouble and expense now subsisting might be saved.

In para: 5, for instance, in recording the transmission of three lacs of Rupees from Cuddapah to the General Treasury in April 1856, the Accountant General observes that the remittance may properly be set down as one from the Bellary Treasury, that sum having been furnished thence to Cuddapah in the month of January preceding, but he does not appear to recognize the principle that no surplus from a place so distant as Bellary should if possible be allowed to come to the Presidency, inasmuch as it could be employed nearer home.

8. In paras: 10 and 11 again, he refers to the transmission of Treasure from Canara, and mentions the possibility of that District having for the future to supply Bangalore with Specie for the payment of the Troops, the Mysore Government having now liquidated the entire debt, principal and interest, heretofore due to the Honorable Company. The Governor in Council believes that his apprehension is quite groundless. He believes it will be found, generally speaking, that there is no want of Specie in the Commissioner's Treasury, and that it might be employed in the purposes to which remittances from the Districts of this Presidency to that territory are now devoted; the Paymaster at Bangalore giving the Commissioner Bills on Madras and Mangalore, between both which places and Mysore there can be no doubt that important Commercial relations exist. On this point the Government will consult Sir M. Cubbon.

9. With reference to the non-transmission of Specie from the Western Coast Districts to Bombay, the Government observe that the same is agreeable to an order of the Supreme Government, under date 16th September 1853. These instructions have not been revoked, though they appear to have been intended to meet a temporary surplus of cash balances at the Bombay Treasuries. The Governor in Council will now apply to the Government of India, to learn whether there is any objection to a recurrence to the former system, under which Specie, surplus in Malabar and Canara, was sent by Sea to Bombay. Reimbursement might be made to this Government by Bills through Calcutta. The Accountant General at Bombay, on the other hand, it should be arranged, could draw on the Treasuries in those Districts. The Government believe that the Bombay Government would gladly avail themselves of this course, especially if Bills could be had in the Talook Treasury at *Coompta*, and on that of the Sub-division of the Canara Collectorate, at *Honore*.

10. The Government now proceed to notice the Accountant General's letter last received, in which he discusses the various points raised by the Chamber of Commerce, in their letter to Government of the 5th March.

From the Accountant General, 16th May 1857.

I. The suggestion of the Chamber that Collectors should carefully estimate the value of the Produce available for exportation from their several Districts, has been communicated to those Officers. It is to be hoped that the information so procured may be of service to the Accountant General. It is, however, Mr Prendergast's* opinion, in which the Government concur, that the difficulties which beset the question will, after all, be very partially removed.

* *Para*: 6 *to be communicated to the Chamber.*

II. Paras: 8 to 15 inclusive will be furnished to the Chamber. The Accountant General, in the view of Government, shows good ground for maintaining the present plan of publicly specifying the *amount* available in each Provincial Treasury. The Government would be glad to have the opinion of the Chamber on the propriety of inviting Tenders, after notifying the sums available.

III. The Government agree with the Accountant General that it is in every way expedient that a preference should be given to the applications of the Railway Authorities. The earlier Railway communications are effected, the earlier will the Ryot secure markets for his produce. It must be remembered, also, that the Government have a most important interest in the prospects of the Railway. They guarantee 4½ per cent interest to the Company; they sustain the expenses of providing, by purchase if necessary, all the land that may be required, and further they may eventually become the purchasers of the Railway. The public Mails, Troops and Treasure, moreover, are conveyed by Rail.

IV. In regard to the question of Fees, it appears that those levied are very small, and realize a fund averaging about 10,000 Rupees annually. So far from viewing the Fee as a Tax on Trade, the Government consider it simply as a very moderate and low commission on the business done by their Accountant General. In Calcutta and Bombay, in lieu of Fees, *premium* is charged on Bills; the rates being fixed by the Accountant General from time to time, at his discretion, with reference to the exigencies of the time and the financial operations of Government. The Governor in Council resolves to inform the Chamber of Commerce that they propose to adopt the Calcutta system, but before passing orders to that effect they will await any further remarks the Mercantile Community may have to offer.

Rs.	Fees.
Up to 1000	1 Rupee.
From 1001 to 2000	2 „
„ 2001 to 3000	3 „
„ 3001 to 4000	4 „
„ 4001 to any sum above it	5 „

11. In conclusion the Government concur with the Accountant General in the opinion that there is no ground for exempting the Railway Company from payment of the premium proposed. Eight (8) Annas per cent appears a suitable charge for the accommodation in their case. The Calcutta rates range from that to one Rupee.

Exd. J. A. Wilson.

Financial Department.

No 239.

From the Accountant General
dated 16th May 1857.

For orders.—

The Act Genl. in his letter of 16th inst.
meets the propositions of the Chamber of Commerce
with respect to the 1st he shows in para
5. that he proposes based on their suggestions
as to procuring information from collectors.
There must have been some misunderstanding
on this matter previously existing. As Collectors
have themselves complained some of the mis-ma-

Financial Dept.
No 239.
dated 16th May 1857.
Abstract.

Proposal from the Chamber of Commerce
of Calcutta
dated 16th June 1857.

F. No 96 —

Observations on the correspondence from the Accountant General relative to Funds lying retained in the Revenue Department under Deposit drawn in favor of Merchants requiring them and the total sum so drawn for Refund of Duty &c. &c. &c. on the Real Estimates.—

Clerk @ 8/-

[illegible] assumed by transmitting treaties to Madras - which could be taken up in their districts.

Para 6. shd be communicated to the Chamber as it shows that the difficulty is not a small to altogether remove.

The 2nd point is fully discussed in paras 8 to 15. inclusive - in which the Govt. is my opinion shows good ground for maintaining the present plan - these paras shd be communicated to the Chamber also

The 3d is met in paras 16. 17.
with I concur.

~~The Chamber~~

The 4. point - may be met by a reference

of 19th respecting paras.

with the exception that Govt propose to abolish the fee - but to charge a premium as is done in Calcutta.

In communicating this information to the Chamber shd be explained - that Govt will await any further remarks they may have to make before passing orders.

The last Govt suggestion of charging a premium is contrary to the opinion

fair.

---

with some comments on the last Govt

letter of the 21st March - which only was circulated -

In para 5 the Govt mentions that the transfer of Specie from Cuddapah - Cantoor - &c only an Easy, from Bellary - & he does not appear to see - that no supplies of Bellary could be allowed Madras - if as I believe it is the Country but cash it can be employed in Cuddapah.

In paras. 10. 11. &c he refers to the removal of Treasure from Cuddapah Canara - & mentions the probability of stant distrit - having for the future to supply Bangalore with specie for the payment of the troops -

I imagine - there is general speaking

plenty of Specie in the Commiss.t Treasury - & that it might be employed - the Paymaster at Bangalore giving bills on Madras & Seringapatam - with both which places & Mysore there must direct communication by

It appears to me - that an arrangement might be made - by which part of the Specie collected by Govt in Malabar & Canara - might be transferred by sea to Bombay - & that this Govt might be re-imbursed by bills thro. Calcutta - at all events - it would

12

to work while to make enquiry - taking
them Bajo to the great expense of sending
the specie to Bampton or Exeter.

With respect again to the Exeter
Court - some arrangement might be
made by which the Asst Govt at Bombay
might draw bills on the Treasurers in
those districts - it would be particularly useful - if he could do this
in the Salsette treasury at Caranjah
& that of the Subdivision at Panwell -

H

I concur in the foregoing & the several
observations would be a great convenience and a
great saving of time, time and labour
if the arrangement proposed were
given effect to.

I fully concur in the Revd Observations.
With reference to the two first paras, I
think it would not be a bad plan to allow
persons to tender for Bills - accommodation
is worth paying for - those who did not
want Bills wd not tender or we tender less
I think this with the Chambers suggestions
not specifying the exact sum available or
only specifying to whom a remittance was able
to be made & the Calcr might have a beneficial
effect. With respect to the Govt objection to withholding
the specification of sums available I doubt much of makers
who get the Bills whether the large or small merchants
But perhaps the much lamented Bills would be tendered for

Mr. Secretaries Letters.

The probability that the Railway Loan = as on the same footing as Bills & accordingly is postponed.

So far fr. the fee on bills being a tax on trade, it is surely a very moderate & low commission on the exchange done & the Act Govt. I think instead of lowering it might fairly be raised to 1/4 or 1/2 per cent & the collection of it right name — Commission & the credit to Govt.

Govt. this manage the monetary transactions exactly as Bankers & Agents manage them for the benefits of its constituents — i.e. the public.

The Calcutta plan of Loan & applies on Railway Bills.

Letter agreed with the Act Govt in Paras 24 & 26 W.G.

Financial Dept

No 339

Govt. Mens. Cons. dated 15th June 1857.

Read again the following letters.

From the Govt Genl to Govt — Here enter 24th Decr/56

From Chamber of Commerce to Govt — Here enter 5th March/57.

Read also the following

From the Accts Genl ... Here enter 21st March/57.

Do Do. — — 16th May/57.

J.P.

W.G.

1. In the first of the letters above recorded, the Accts Genl brought to the notice of Govt that his inability to comply with applications for Bills on the Provincial Treasuries at all times & places, was the cause of much official anxiety to himself, & dissatisfaction to the Mercantile Community at the Presidency. The General Treasury, he observed, is supplied partly by Bills drawn upon provincial treasuries, & partly by remittances of specie from the latter. Large sums are not allowed, under the general rules, to be retained in the provinces; accordingly if applications for Bills on any particular

District are slacke, he surplus specie is remitted to Madras, such a margin being left, as it is estimated may, with growing collections, meet the requirements of merchants. These estimates, however, are of course of no great value, here being no reliable information or w^h to base them. It frequently happens that an application for Bills to a large amount is made just at the moment when the Provincial Treasury has been drained of its specie. The calls made by himself & his Predecessor on the commercial body for such information as may lead to a more satisfactory state of things have not, he complained, been attended with any practical result. He w^d very much facilitate his labours if the Chamber of Commerce could inform him, how half-yearly in December & June he may best make an estimate of the probable amounts of Bills that will be required on each Provincial Treasury, and in each month, during the following six months of the year.

2. on the 20th January following the Gov^t opened the foregoing communication to the Chamber of Commerce, with a request that that body w^d be good enough to state what suggestions they w^d propose in view to enable the acct Gov^t to meet the demands of the Mercantile Community, without unduly locking up the public funds & occasioning financial inconvenience to Govt. The question, the Gov. in C. remarked, was of no less importance to the Govt than to the Merchants of Madras. They shd gladly save the risk, expense & inconvenience of bringing treasure to the Presidency; now were they unmindful that every thing tending to subserve the requirements of the trades & agriculturists & to promote an extension of cultivation must have a direct effect in increasing the public revenue also.

3. on the same date the Govt called upon the acct Genl to submit statements exhibiting (1) the amount of treasure remitted from Madras to the Provinces, and vice versâ, and from one District to another; (2)

× during the past twelvemonths

the reasons for such remittances; and (3) the balance left in the w-mitting treasury. Understandings further that, towards the close of the year, specie had been sent to Madras by land from Mangalore, they desired to know what the amount was, whether it had yet arrived, & finally, why it had not been sent by sea to Bombay. Mr. Prendergast, lastly, was to explain ~~the circumstances~~ the mode adopted in casting Govt. Bills at Talook treasuries, where no agency is here required, instead of at the Collector's station, ~~Hoonsur~~.

4. The reply of the Chamber was furnished to Govt. by the Chairman on the 5th March. They showed that the safest method of estimating the amount of the Bills likely to be required in a District is to learn the amount & value of the pro-duce available in such district for exportation. As to the time, at which such Bills will be drawn, more exact calculations may be made, the seasons of harvest being fixed & well known. More than this they are unable to say. The course of trade is liable to great fluc-tuations, and it is impossible for a Merchant to tell at what particular period his wants may arise, dependent as the same frequently are on contingencies not within his immediate cog-

-nizance or control. 16c

They were present to state that they will avail themselves of the present opportunity to protest against the present plan adopted by the Govt. of advertising a limited sum on a provincial treasury. The system, they remark, is pro-ductive of needless competition among the mercantile body, the result of which is a multiplici-ty of applications on behalf of the same parties under different signatures, to an extent far be-yond such parties' actual wants. They propose that the district alone be advertised, not the amount. Parties applying shd., then, previously pay in the sums for which a Bill is required to the Sub Treasurer & hand his receipt to the Asst Govt. with their application; and it will be the duty of that Offi-cer, if unable to comply with every application, to apportion the sums available among the several applicants, returning the balances by the Sub Treasurer's cheque on the Bank to the different parties. Fees, they think, might be abolished altogether, and the preference, finally, at present given to the applications of the Railway Co. shd be dispensed with.

5.

Ex. In. C.
23d March /57.

This letter was referred to the Acct Genl for his opinion on the several suggestions offered by the Commissioner - & he was instructed to give a return of the amount annually realized by the levy of fees, for the last five years, & to state whether any are required to be paid for Bills at the other Presidencies.

From Acct Genl 2/3
Recd 23/3.

6. Meanwhile an answer was rect from the Acct Genl to the requisition of Govt conveyed in Ex. In. C. of the 20th January - The statements called for in regard to the remittances of specie during the past year were submitted; and with respect to the information required as to payments in Talooks treasuries, Mr Pender departs explains that, as far as the Acct Genl's office is concerned, the Agent to the Railway Cos alone has the privilege of obtaining Bills payable at such localities. Collectors are allowed to make their own arrangements for the payment of Acct Genl Bills at a Talook treasury, if the party desire it, but funds are not to be especially reserved in a Talook, for such purposes.

7. In the list given of remittances of specie, (some) the Govt must remark,

scarcely necessary
appear to have been ~~very needful~~ -
~~made~~ - arrangements, by which convenience, might be effected by which much of the labour, trouble & expense now existing might be saved.

7. In Para 5, for instance, in recording the transmission of three lacs of rupees from Cuddapah to the General Treasury in April /56, the Acct Genl observes that the remittance may properly be set down as one from the Bellary treasury, that sum has been furnished thence to Cuddapah in the month of January preceding, but he does not appear to recognise the principle that no surplus from a place so distant as Bellary if possible should be allowed to come to the Presidency, inasmuch as it could be employed nearer home.

8. In Paras 10 & 11 again, he refers to the transmission of Treasure from Canara, & mentions the possibility of that district having for the future to supply Bangalore with specie for the payment of the troops, the Mysore Govt having now liquidated the entire debt, principal & interest, heretofore due to the South Company. The Gen C believes that this apprehension is quite groundless. He re-

-lieves it will be found, generally
speaking, that there is no want of
specie in the Commissioners treasury,
& that it might be employed on
the purposes to which remittances
from the districts of his Presidency
to that territory are now devoted;
the Paymaster at Bangalore giving
the Commissioners Bills on Madras
& Mangalore, between both which
places & Mysore there can be no
doubt that important commercial
relations exist. on this point
the Govt will consult Sir M. Cubbon.

9. With reference to the non-transmission
of specie from the Western Coast dis-
-tricts to Bombay, the Govt observe
that the same is agreeable to an order
of the Supreme Govt under date
16th Sept/53. These instructions
have not been revoked, though they ap-
-pear to have been intended to meet
a temporary surplus of cash balan-
-ces at the Bombay treasuries - The
Q. in Co. will now apply to the
Govt of India, to learn whether there
is any objection to a recurrence to
the former system, under which
specie, surplus in Malabar & Can-
-ara, was sent by sea to
Bombay - Reimbursement might
be made to this Govt by Bills
through Calcutta. The Acct Genl

3

From Acct Genl
16-5-57.

at Bombay, on the other hands
it shd be arranged, & drawn on the
Treasuries in those districts - The Govt
believe that the Bombay Govt will
gladly avail themselves of this
course, especially if Bills & be
had on the Talook Treasury at
Coompta, & on that of the Sub-
division of the Canara Collectorate,
at Honore.

10- The Govt now proceed to notice
the Acct Genl's letter last recd, in
which he discusses the various points
raised by the Chamber of Commerce
in their letter to Govt of the 5th March.

I. The suggestion of the Chamber that
Collectors shd carefully estimate the
value of the Produce available for
exportation from their several
districts, has been communicated
to those officers. It is to be hoped
that the information so procured
may be of service to the Acct Genl.
It is however Mr Prendergast's opi-
-nion, in which the Govt concur,
that the difficulties which beset the
question will, after all, be very
partially removed.

Para 6. to be
comm'd to the Chamber.

II. Paras 8 to 15 inclusive will be
furnished to the Chamber. The Acct
Genl, in the view of Govt, shows good
ground for maintaining the present

plan of publicly specifying the amount available in each Provincial Treasury. The Govt will be glad to have the opinion of the Chamber on the propriety of inviting tenders, after notifying the sums available.

III. The Govt agree with the Accountant that it is in every way expedient that a preference should be given to the applications of the Railway authorities. The earlier railway communications are effected, the earlier will the yet secure markets for his produce. It must be remembered, also, that the Govt have a most important interest in the prospects of the Railway. They guarantee 4½ pct interest to the company; they sustain the expenses of providing, by purchase if necessary, all the land that may be required, & further they may eventually become the purchasers of the Railway. The public mails, troops & treasure, moreover, are conveyed by Rail.

IV. In regard to the question of fees, it appears that those levied are very small, & realise a fund averaging about 10,000 Rs annually. So far from viewing the fee as a tax on trade, the Govt considers it simply as a very moderate & low commission on the business done by their Accountant General. In Calcutta & Bombay, in lieu of fees, premium is charged on Bills; the rates being fixed by the Accountant General from time to time, at his discretion, with reference to the exigencies of the time & the financial operations of Govt. The Govt in Council resolve to inform the Chamber of Commerce that they propose to adopt the Calcutta system, but before passing orders to that effect they will await any further remarks the Mercantile Community may have to offer.

up to Rs 1000	fee 1 R
from 1001 to 2000	2
from 2001 to 3000	3
" 3001 to 4000	4
4001 to any sum above it	5

II. In conclusion the Govt concur with the Accountant in the opinion that there is no ground for exempting the Railway company from payment of the premium proposed. Eight (8) annas per cent appears a suitable charge for the accommodation in their code. The Calcutta rates range from that to one rupee.

I have &c.
H.T. 4/6/57.

To the Acct General
" the Chairman of the Chamber of Commerce with copies of Paras 6, 8 & 15 of the Govt letter of the 6 May/57.

Dispatched 5th July.

Financial Letter to Govt
1st December No 24 of 1857.

Pars 33 & 44.

Under to Govt. to Govt
Financial 1857 Depart

No. 339

Extract Mins. of Cons

d/ 15th June 1857.

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