M.R.O. 1—30,000—16-10-29.

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 43-44 Press Mis.

Dated 20-1-1937

(B.Nr. 29-31)

Not to be folded or roughly handled

Financial Department

No 325 Fort Saint George
Accountt Generals Office
24 December 1856.

From
The Accountant General

To
The Chief Secretary
to Government

Sir

Para. 1. My inability to comply with the requirements of the Merchants and Agents for Bills on the Provincial Treasuries at all times and places has been the subject matter of dissatisfaction and complaint. I deem it a point of duty therefore, to myself as well as to Government, to explain the principle which guides me in apportioning the Funds in the Provincial Treasuries for such Bills, and why the wants of the Merchants in this respect cannot be fully met at all Seasons of the year and on all the Treasuries.

2. The Government are aware that the General Treasury here is mainly supplied with funds either by Bills drawn upon the Provincial Treasuries, or

by

by remittances of specie from there. It is only when the whole of the available surplus Funds cannot be drawn by Bills at the time, that such surplus funds, or portions thereof are brought away in Specie.

The Government are also aware that under instructive orders from the Honorable Court of Directors, and for other reasons, the Accountant General is not permitted to retain large sums of money for any length of time in any Collectors Treasury. There is no alternative therefore but to draw away the surplus funds of the Provincial Treasuries by ordering specie remittances to the Presidency whenever the demand for Bills is or has been, so slack as to preclude the drawing for in that manner. In ordering such remittances however the amount thereof is governed by the prospect that Bills will be presently required, and a sufficient sum is left in each Treasury which, with the growing collections, will probably meet the requirements of the Merchants. Notwithstanding that all possible precautions are taken, it does happen at times, that the demand for Bills on some Treasuries first springs up on the

the surplus funds have been there drawn from them by remittance in specie to the Presidency. My predecessor endeavoured, but in vain, to extract from the Merchants how he could obviate the difficulty, and in hopes of seeing my way out of this perplexity, I, on one occasion, in November 1854, addressed a Circular to the principal Merchants in Madras requesting them to inform me to what extent they would require Bills to a certainty on the east Provinces, North and South, during the months of December and January following. Many who were addressed did not reply. Of those that did reply a few mentioned what they probably would require, but most of them stated that they were uncertain to what extent they would require Bills. The replies generally were so vague as to afford no data whatever upon which I could form any arrangement.

4. The Merchants if pushed are not prepared to state precisely to what amount, and at what periods, they require Bills on certain Treasuries. There is a decided

* The amount stated did not read in the whole for 6 Houses of Agency and on nine Collectorates Rs 4½ lacs.

uncertainty

remitting me on their part generally to disclose even if they knew what they actually will want. The following extract from the reply of one of the Three Heys addressed on the above occasion is to the purpose:—

"It is not feasible for us to say what all our demands for Bills on the Local Treasuries in December and January may be, because many of them being for purchase of produce depend on the numerous Contingencies affecting such operations. It will also be obvious to you that the disclosure of such intentions would infinitely defeat their being carried out, and it is therefore undesirable to communicate them to a public Office, or even to make them the subject of a private letter."

5. Not being able to procure the required information from the Merchants themselves, with a view to whose benefit, chiefly, I supposed for it in furtherance of the objects of trade, I was left to make my arrangements upon the best information I could obtain, I deemed it advisable to leave funds in the Provincial Treasuries as long as possible with a view to their being eventually drawn away by means of Bills, but regarding, at the same time, the wants of the General Treasury here. The consequence was that large sums had accumulated in several Treasuries, as may be apparent from the large amount of Specie remittances subsequently made from them, and noted in the margin, and it was solely owing to the wants of the General Treasury here, and to the impossibility of supplying it by means of Bills drawn on those Treasuries arising from the limited demand for them, that those remittances were ordered down to the Presidency.—

From Tanjore	Rupees	15,00,000
" Canara	"	13,00,000
" Madura	"	90,000
" Vellore	"	70,000
" Trinomaly	"	60,000
" Travancore	"	25,000

6. The demand for Bills on Cuddapah at certain periods is very great, so much so that I had resolved to leave all the surplus funds there to meet them; and (excepting a remittance in pagodas for the Three Lacs of Rupees which had previously been sent from Bellary to Cuddapah) I have not ordered any remittance from Cuddapah in the present year.—Moreover, that remittance of 3 lacs was ordered to

to Madras at a time when the funds in the Coddapah Treasury exclusive of the Amount then permitted, were amply sufficient to meet the Bills which were then being drawn on it. The surplus funds in the Coddapah Treasury, however, are not sufficient to meet the demands for Bills upon it throughout the year. To meet the Bills drawn up to the beginning of September, I was obliged to order a remittance to Coddapah of a lac of Rupees from Vellore. From the middle of September till October and to the middle of November, the Coddapah Treasury was too low to admit of being drawn upon, nor could I supply it from a adjoining Treasuries in Consequence of the low State of the funds there also. Almost all the Provincial Treasuries are more or less low during the second half of the calender year.

7. There was very recently a heavy demand for Bills on the South Arcot Treasury, but the state of that Treasury did not admit of being drawn

drawn upon. The Collector twice more than once complained of the inconvenience which Merchants have been put to for the want of Bills on his Treasury, and I in consequence ordered remittances to be sent to him from Tanjore to the amount of Five and a half lacs of Rupees, which has been all drawn away by Bills.

8. In the middle of September I was obliged to stop the drawing Bills on Tinnevelly, owing to the low state of the Treasury there. I was informed by a member of one of the mercantile Firms at Madras that the stoppage of Bills on Tinnevelly was putting the House to very great inconveniences. Conceiving therefore that the need for Bills on Tinnevelly might be as great in other quarters also, I ordered a remittance of two and a half lacs of Rupees which has been all drawn away by Bills.

* and that the stoppage might bring on a crisis.

9. Sending remittances in specie thus from one District to another except on the Coast part, to Madras is objectionable as a general Measure, but I consulted that objection in this instance.

Tinnevelly from Madura, and although the remittance arrived there at the end of October, nearly a lac of Rupees of it still remains undrawn.

9. I mention these particulars to shew that every effort has been made by this office to meet the wishes of the Merchants in regard to Bills on the Provincial Treasuries, in order to suit their convenience, promoting thereby also the welfare of the Country. I believe it to be the intention of Government that in all Departments of the service every possible facility should be afforded to the operations of commerce, and I have endeavoured to keep the object in sight in all the transactions in which this office is concerned. It would be very satisfactory to me however if I could be put in possession of some certain information from time to time, whereby I might be enabled as far as possible so to regulate remittances as to have funds placed in Treasuries at the time they may be most required on Bills for Bills.

10. The Chamber of Commerce represents the Mercantile Community of Madras, but I do not know that even the Chamber can help me - not only because its proceedings, I apprehend are unknown to most of the large number of Native Merchants who also carry on extensive traffic in the produce of the Country, and who, in consequence, are in the habit of applying to me for Bills, but because of its composition. If the Firms individually are unwilling to treat me, as the Financial Officer of Government, with particulars affecting their trading interests, still less likely will they be to communicate those particulars to their fellow rivals, Merchants. The Chamber of Commerce may however possibly be able to offer some useful suggestions on the subject, and since the European and Native Merchants are alike interested in the matter, since I know not where else to seek what I want, it would perhaps be well to invite the Chamber to speak out upon the subject.

11. The information I require

is such as will enable me half yearly, in December
and June, to form an
estimate of the probable
amount of Bills that
will be required on each
Treasury, and in each month, during the following
five months. Any suggestions which the Chamber of
Commerce may be disposed to offer towards the
attainment of that object, will be very useful:
but if the Chamber of Commerce, which is deeply interested
in the matter, is not prepared to aid me in
this respect I shall at least have done my duty in
making this representation, though I be left, as I
am at present, to make arrangements according to the
best information I can procure, however uncertain,
and the Government must not be surprized if instances
of dissatisfaction on the part of the Mercantile
Community

Community should sometimes occur.

I have the honor to be
Sir
Your most obed.t Servant
J.d Thackeray
Accountant General

Received

Financial Department

No. 43

Extract from the Minutes of Consultation

Dated 20th January 1857.

Read the following letter

from the Accountant General.

Here enter 21st December 1856.
A. 825.

The Right Honorable

the Governor in Council observes

that the subject treated of in

the above letter from the

Accountant General on the

System of granting Bills upon

the local Treasuries is one of

great importance both to the

Government and to the Mer=

=cantile Community, and it

is very desireable that if

possible

Reply

The Accountant General will

in due time propose steps to

the Chamber of Commerce &

invite their suggestions and

to enable Government to

dispose with the inquiries

which will be rendered necessary

by the Accountant Generals letter — the

Public expect the result of this

reference for the consideration

of Govt by

Acct Genl

Dated 24th December 1856.
Rec. 27th "
A 825

No. 43.
Letter No. 44.

Explaining the principle upon
which Funds are afforded in the
Presidency of Bombay to Public
Servants on Furlough out of
India, and stating the amount of
Funds now held by the
Treasurer of Bombay on
account of the Furlough
Fund.

Dr. fully instructed to answer
the questions contained in
the accompanying Minute
of Consultation.

Wedderburn
Secy

Financial Department

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Wedderburn
Secy

possible some means should be found by which it could be brought to a satisfactory Settlement — Mr. Prendergast has suggested that it might be well for him to invite the Chamber of Commerce to speak out upon the subject — The Government however resolve, themselves to address the Chamber, and after laying before them the substance of the representation made by the Accountant General, to call upon them for any information or suggestions that it may be in their power to offer, towards enabling the Accountant General to make such Disposal of the funds in the local Treasuries, as shall meet the requirements

requirements of the Commercial body without causing embarrassment to the public service —

2 To enable him to come to a more distinct understanding on the question, the Right Honorable the Governor in Council further desires to be furnished by the Accountant General with a Statement showing what Specie remittances were made during the year just passed from the Provincial Treasuries to the General Treasury at the Presidency, or from one Provincial Treasury to another — the reason for such remittance and the balance of Cash left in the remitting Treasury — It is understood that

towards

towards the end of the year a remittance was made to Madras by land from the Mangalore Treasury – The Governor in Council wishes to know its amount – whether it has yet arrived – and why the Specie was brought across the Peninsula to Madras in place of being sent according to the usual course by Sea to Bombay. –

Accountant-Genl's Dept. 20th

3 The Governor in Council also requests to that the Accountant General will state what is the practice with regard to casting Government Bills at Talook Treasuries when payment is there required instead of at the Hoozoor Treasuries. –

Further Letter from the Accountant General dated 21st March 1857 Rec'd 23rd Ditto

Remy observations on the Letter from the Accountant General explaining the Practice followed in Talook Treasuries

Copy of Memorandum of Papers sent to the Board of Revenue

Dupl. for Board of Revenue

Original Letter to Collector of Canara

Dupl. for Board of Revenue

Original Letter to Collector of Malabar

Dupl. for Board of Revenue

Original Letter to Collector of Salem

Dupl. for Board of Revenue

Original Letter to Collector of Coimbatore

Dupl. for Board of Revenue

Original Letter to Collector of Madura

Dupl. for Board of Revenue

Original Letter to Collector of Tinnevelly

Dupl. for Board of Revenue

Original Letter to Collector of Tanjore

Dupl. for Board of Revenue

Original Letter to Collector of Chingleput

Dupl. for Board of Revenue

Original Letter to Collector of Nellore

Dupl. for Board of Revenue

Original Letter to Collector of Cuddapah

Dupl. for Board of Revenue

Original Letter to Collector of Bellary

Dupl. for Board of Revenue

Original Letter to Collector of Kurnool

Dupl. for Board of Revenue

Original Letter to Collector of Vizagapatam

Dupl. for Board of Revenue

Original Letter to Collector of Ganjam

Dupl. for Board of Revenue

Original Letter to Collector of Rajahmundry

Dupl. for Board of Revenue

Original Letter to Collector of Masulipatam

Dupl. for Board of Revenue

Original Letter to Collector of Guntoor

Dupl. for Board of Revenue

Original Letter to Collector of Nellore

Dupl. for Board of Revenue

Original Letter to Collector of Cuddapah

Dupl. for Board of Revenue

Original Letter to Collector of Bellary

Dupl. for Board of Revenue

Original Letter to Collector of Kurnool

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Dupl. for Board of Revenue

Original Letter to Collector of Masulipatam

Dupl. for Board of Revenue

Original Letter to Collector of Guntoor

Dupl. for Board of Revenue

C 16 Aug
12 19

Encl. 2 Despatch from

No. 44

The Chamber of Commerce

Grand Cayman

Same directed

by the Hon. the Hon. the Colr

in C. to inform upon

what the Govt. intends

recently passed on communication from the

Secretary of State on the

subject of granting

bills upon the Provincial Treasuries, made

on the depositaries

public dues of money

on paying out such

arrangements as should

ensure specie being

available in the ship

of Country Treasuries

fully to meet the

Regimental

1849 May 3

requirements of the Mercantile Community without at the same time causing embarrassment or inconvenience to the public service. —

2.— Mr. Pender-gast referred to

"The Government are aware that the General Treasury is mainly supplied with funds either by Bills drawn upon the Provincial Treasuries, or by remittances from them. It is only when the whole of the available surplus funds cannot be drawn by Bills at the time, that such surplus funds, or portions thereof

thereof, are brought away in specie."

"The Government are also aware that under imperative orders from the Home Public Department, and for other reasons, the Receiver-General is not permitted to retain large sums of money for any length of time in any Collector's Treasury. — There is no alternative therefore but to draw away the surplus funds of the Provincial Treasuries by ordering specie remittances to the Presidency when the demand for Bills is, or has been, so slack, as to preclude the

the transfer in that manner.— In ordering such remittances how-ever, the amount thereof is governed by the prospect that Bills will be presently required, and a fair sum is left in each Treasury which with the growing collections, will pro-bably meet the re-quirements of the Merchants.— Notwith-standing that all possible precautions are taken, it does happen at times that the demand for Bills on some Treasuries just springs up as the surplus funds have been thus drawn from them by remittance in specie to the Presidency.* × × ×

"On one occasion, in November 1864 I ad-dressed a Circular to the principal Mer-chants in Madras re-questing them to in-form me to what extent they would re-quire Bills to a cer-tainty on the Coast Treasuries, North and South, during the months of December and January follow-ing.— Many who were addressed did not re-ply.— Of those that did reply, a few men-tioned what they pro-bably would require, but most of them stated that they were uncertain to what extent they would

* The amount stated did not exceed in the whole for Collrs. of Agency and outturn Collec-torates Rs. 4½ lacs.—

would require Bills.
The replies generally
were so vague as to
afford no clue whatever upon which I
could form any ar-
rangement.—

× × × "The follow-
ing is an Extract
from their reply & one
of the Firms address-
ed on the above oc-
casion.— "It is not
"possible for us to say
"what all our de-
"mands for Bills on
"the Coast Treasuries
"in December and Janu-
"ary may be, because
"many of them being
"for purchases of pro-
"duce depend on the
"numerous contingen-
"cies affecting such
"operations.— It will
also

"also be obvious to you
"that the disclosure
"of such intentions
"would entirely defeat
"their being carried out,
"and it is therefore
"undesirable to com-
"municate them to
"a public Office or
"even to make them
"the subject of a pri-
"vate letter."—

I did however endeavour to procure the required information from the Merchants themselves, and to arrive to whose decision briefly, I applied for it in pursuance of the object of trade. I was left to make my arrangements to inform the best information I could obtain

I deemed it advisable to leave funds in the Provincial Treasuries as long as possible and to prevent the Public being eventually drawn away by means of Bills, but requiring at the same time the needs of the General Treasury here. The postponement must have occasioned great embarrassment and delay owing to the needs of the General Treasury here, and to the impossibility of supplying it by means of Bills drawn on those Treasuries arising from the limited demand for

for them, that those persons ordered down to the Presidency."

"The demand for Bills on Cuddalore is very great, so much so that I had resolved to leave all the surplus funds there to meet them, and (excepting a remittance in return for the three lacs of Rupees which had previously been sent from Bellary to Cuddapah) I have not ordered any remittance from Cuddapah in the present year. Moreover, that remittance of 3 lacs was ordered to

do

to Madras at a time when the funds in the Cuddalore Treasury exclusive of the amount then required, did, were amply sufficient to meet the Bills which were then being drawn on it. The surplus funds in the Cuddalore Treasury, however, are not sufficient to meet the demand for Bills upon it throughout the year. To meet the Bills drawn up to the beginning of September, I was obliged to order remittance to Cuddalore of a lac of Rupees from Vellore. From the middle of September, all October, and to the middle of November, the Cuddalore Treasury was too low to admit of being drawn upon, nor could I supply it from adjoining Treasuries, in consequence of the low state of the funds there also. Almost all the Provincial Treasuries are more or less low during the second half of the Calendar year.

"There was, very recently, a heavy demand for Bills on the Southward Treasury, but the state of that Treasury did not admit of

of being drawn upon.
The Collector has more
than once complain-
-ed of the necessa-
-rience which he
-should have hear-
-ed to for the want
of Bills on his
Treasury, and of pri
consequence ordered
Remittances to be
sent to him from
Sanfore to the amount
of Three pond, or half
lacs of Rupees, which
has been all drawn
away by Bills.
On the receipt
of September I was
obliged to stop drawi-
-ing Bills on Treasur-
-y, owing to the low
state of the Trea-
-sury there. I was
informed by a mem-
-ber of one of the
mercantile

* During my residence in Goa
there from our Dockyard Commissi-
-oner fell on the Xeradrade, to da-
-ces, in objectionable pas-
-ne of Treasure, but I after
-ruled that objection in this
instance

mercantile Firms at
Madras that the
stoppage of Bills on
Timmerly was putting
the House to very
great inconvenience.
Conceiving therefore
that the need for
Bills on Timmerly
might be a great
inducement
-ce, I ordered one
-more Lacs of Pro
-pond in half lacs of
Rupees to be sent
to Timmerly from
Madras, pond al-
-through the remit-
-tance passed there
at the end of October
nearly a lac of the
-pees of the Bills re-
-ceived on account."
"I mention
these particulars to
show that every
effort

effort has been made by this office towards the wishes of the Merchants in regard to Bills on the Provincial Treasuries, in order to suit their convenience, promoting there by also the welfare of the country I believe it to be the intention of Government that in all Departments of the Service every possible facility should be afforded to the operations of commerce, and I have endeavoured to keep this object in sight in all the transactions in which this Office is concerned.

It would be very satisfactory to me however if I could be put in possession of some certain information, in proper time, whereby I might be enabled as far as possible so to regulate remittances as to have funds placed in Treasuries at the time they may be most required for Bills. xxx

"The information I require is such as will enable me half yearly, in December and June, to form an Estimate of the probable amount of Bills that will be required on each Treasury, and in each month, during the

the following six months
I. In forwarding these
Extracts I am desired
to solicit the particu-
lar attention of the
Chamber to the ques-
tion treated in them
one of no less moment
to the Good Hope Mercantile body. It
must clearly be the
desire of Govt to be
saved the unnec-
-essary and inconve-
-nience of bringing
these circumstances
from distant sta-
-tions to the Presidency and they cannot
but be fully aware
that every thing which
tends to subserve the
requirements of the
Trade and Agricultu-
-re, to promote the
extension

extension of cultivation
and general improve-
-ment of the country,
must have a direct
effect in increasing
the public revenue.
At the same time the
difficulties brought
to notice by the Me-
-mbers of Circuit
do not seem to be
overstated - and the
Govt would be glad
if the Chamber would
suggest in what man-
-ner they might be
overcome, and could
propose any course
whereby that Officer
might be duly fur-
-nished - under any
arrangements that
might be thought
necessary - with such
periodical informa-
-tion

as

as to the probable demands of the Mercantile Community for Cash and the local Treasuries as would enable him to meet them, without undue locking up the public funds and pecuniary & financial inconvenience to Government.

Fort St. George
20th January 1857

JJ

Rec'd 28 January 1857
Answered 30th January 1857
Letter to Collector of Customs
No. 51 dated 30th January 1857

No. 51

Public Dept. 30th January 1857

Registered the 31st
Entry of Transmission Public
Letter to Board of Revenue

Read
Noted
Entered