

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No.	323	Press
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Dated	8. 6. 1859	

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Not to be folded or roughly handled

19-8-31

*Proceedings of the Madras Government, Financial Department,
from 1st to 10th June 1859.*

No. 24. Read the following letter from C. HUGH LUSHINGTON, Esq., Secretary to the Government of India; to the Chief Secretary to the Government of Fort Saint George, dated Fort William, 18th May 1859, No. 3917.

I am directed to acknowledge the receipt of your letter, No. 212, dated the 9th ultimo, forwarding copy of an application from the Madras Chamber of Commerce, with the Accountant General's report upon it, bringing to notice the disadvantages under which the Merchants and Bankers of Madras labor, in consequence of their having to send Government Promissory Notes to Calcutta for enfacement and renewal.

2. You submit the following suggestions for the favorable consideration of this Government.

1st. That Government Promissory Notes be renewed and enfaced at the Madras Accountant General's Office.

2nd. That new Notes be issued at Madras in an open Loan in lieu of acknowledgments of subscriptions made into the General Treasury there, and that renewal be effected in London of "enfaced Notes."

* No. 95, dated 7th Instant.

3. In reply I am desired to forward to you copy of a report* from the Accountant General to this Government, pointing out the objections that exist in respect to the suggestions made by the Madras Accountant General, and at the same time to enquire if the Government of Fort Saint George can suggest any course by which the objections above alluded to shall be removed.

No. 95.

Report of the Accountant General to the Government of India on Financial Office Docket No. 3276, dated 2nd May 1859.

In reporting upon the suggestions of the Madras authorities for the enfacement and renewal of Government Promissory Notes at the subordinate Presidencies I have the honor to observe that I am not aware of any objection to the enfacement at Madras for payment of interest in London by Draft on Madras, of Promissory Notes of which the interest has already been made payable at Madras; but as only unendorsed notes can be so enfaced, it is probable that, without the further power of renewal, this concession would not be of much value.

2. The renewal of Government Promissory Notes by the authorities at the subordinate Presidencies, would afford material relief to this Office, and by obviating delay, and risk of loss in transit, would be a great convenience to the public. I fear however that the objections to such a measure more than out-weigh its advantages.

3. Every Note presented for renewal must necessarily undergo comparison and check with the original Loan Registers; and, these being in Calcutta a reference would be necessary in every case of renewal, which would create as much delay as the transmission of the Note itself.

4. The new notes should be signed by the Secretary to the Government of India and the transmission of blank forms bearing such signature to Madras or Bombay would be very dangerous and even if the Government of India authorized the signature on its behalf by the Chief Secretary of another Presidency, there would still be great risk from the possible loss of blank forms in transit, the only means of obviating which would be to have facsimiles of the note plates, at Madras and Bombay, and allow them to be struck off there.

5. A still graver objection is that renewal of notes elsewhere must seriously affect the accuracy and value of the original Loan Registers in Calcutta, in fact they would cease to be complete original records.

6. The registers of renewals at Madras or Bombay would become *pro tanto*, the original record of the new note; and in cases of retransfer of such notes from thence to Calcutta it would become necessary, on occasion of fresh renewal, to refer, from this to the other Presidency for check with the intermediate register, and thus after, a time the effect would be to extend the inconvenience now experienced at Madras, or Bombay, to this Presidency also.

*Proceedings of the Madras Government, Financial Department,
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7. These objections tell with additional force against the proposed issue at the subordinate Presidencies of original Notes of an open Loan which must involve the necessity of separate original registers at each Presidency and would be productive of much more serious risk, and inconvenience than that which it is intended to obviate.

8. The only safe alternative would be to have separate Loans for each Presidency, a measure which is not suggested, and as it is also open to many objections, and has been in some degree provided for by the issue of Treasury Bills, it is needless here to consider it.

9. Reference is made by the Accountant General to the Treasury Bills, but as these are issued by the Governments of Madras and Bombay, payable only at the General Treasuries of those Presidencies and cannot be renewed or transferred elsewhere, there is no analogy between them and Promissory Notes of the Permanent Loans.

10. The delay experienced in the receipt of New Notes at a distance from Calcutta, and in the renewal of old Notes, principally affects the Mercantile Community, and Speculators in Government Securities; it is of little importance to those who make permanent investments, and it is probable that the coupon bearing paper which cannot be renewed and requires no enfacement, and which had not been advertised at the time this reference was made from Madras, will be found a sufficient remedy for much of the inconvenience, which has caused complaint and which may be further mitigated by additional aid to the Loan Office here which is very much required.

11. The original documents received are herewith returned.

(Signed) C. DRUMMOND,
Accountant Genl. to the Govt. of India.

FORT WILLIAM,
LOAN OFFICE,
The 7th May 1859.

(A true Copy.)
(Signed) C. HUGH LUSHINGTON,
Secretary to the Govt. of India.

No. 25. ORDER THEREON, 8th June 1859, No. 323.

Ordered that the foregoing letter and its enclosure be communicated to the Accountant General and the Madras Chamber of Commerce, with reference to the Proceedings of Government dated the 9th April last, No. 211. The Government will be ready to receive any further suggestions on the subject, in reference to the objections pointed out by the Accountant General to the Government of India.

(Signed) T. PYCROFT,
Chief Secretary.

Order thereon. 8 June 1859 No 323

Ordered that the foregoing letter and its enclosure be communicated to the Accountant General and the Madras Chamber of Commerce, with reference to the Proceedings of Govt dated the 9th April last. No. 211. The Govt will be ready to receive any further suggestions on the subject in reference to the objections pointed out by the Accountant General to the Govt of India.

*To the Accountant General
" Chamber of Commerce } Madras. 29th*