

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. *406-7* Press
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Dated *23rd July* 18*99*

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*Proceedings of the Madras Government, Financial Department,
from 23rd to 29th July 1859.*

Read the following papers.

No. 4. From H. NELSON, Esq., Chairman of the Chamber of Commerce; to the Chief Secretary to Government, Fort Saint George, dated 12th April 1859.

I have the honor by desire of the Chamber of Commerce, to request that you will permit me to bring once more to the consideration of Government, the subject of the receipt, at the Talook, and subordinate Treasuries of this Presidency, of Notes of the Bank of Madras, tendered in payment of sums due to Government.

2. In moving the Honorable the Governor in Council to give further attention to this important subject, the Chamber desires to be understood as looking with confidence to a time not far distant, when its views on this subject, no longer misinterpreted as selfish, will be assented to, as promising to benefit not only the Mercantile Community, but the Government itself, and the Public at large. The change in the administration of the Government of India, affords a favorable opportunity for the reconsideration of questions such as this; for it cannot be doubted, that new ideas are now applied to the principles of Government, and that with the approbation of the most eminent Statesmen of the day. The present application of the Chamber is, therefore, an appeal from the past to the present Government; made in no spirit of mere pertinacity, but founded on convictions, which have remained unchanged for more than ten years. The discussion of this subject has been maintained with the Madras Government since the year 1847; firstly, by the Directors of the Bank of Madras on behalf of that Institution, and secondly, by the Chamber of Commerce, as representing the Mercantile interests of this Presidency. I will now refer to this correspondence, and very briefly review its contents.

3. In 1847, the Directors of the Bank, in reply to a communication from Government, opened up the question by pointing out that the order of the 19th September 1845, by which Bank Notes were made receivable at the Huzzoor Treasuries in payment of Government demands, had not proved to be successful in extending the circulation of Bank Notes in the interior, and they left to the consideration of Government such further measures as it might deem advisable to promote that object. On the 24th January 1848, the Government replied, that it considered further measures were uncalled for. At a Meeting of the Bank Proprietors, held on the 20th March 1848, the following Resolution was carried:

"That whereas by an order of Government, dated 19th September 1845, published in the Fort Saint George Gazette, (and never since cancelled or qualified by any Notification therein), it was notified to the Public at large, that Collectors in the Provinces were authorized to receive the whole of the Revenue payments in Notes of the Bank of Madras, yet when individuals in the Provinces tendered their payments in that form, it was then, for the first time, discovered that by orders from the Government, (of which no notice has to this day been given in the Gazette or to the Public), the order of the 19th September 1845, had been virtually cancelled, and that only one-third of such payments would be received in Notes of this Bank, which additional evidence of apparent distrust, or real hostility on the part of Government towards the Bank, added to the inconvenience inflicted on the individuals who had procured Notes of this Bank, in order to make their payments in them, produced more injury to the Bank, than if Government had altogether refused from the first to receive their Notes in Revenue payments."

4. On the 11th May 1848, the following Resolutions of the Board of Directors were communicated to Government. I give them entire, as they state clearly and concisely what was asked for.

Extract from the Proceedings of a Meeting of the Directors of the Bank of Madras, held on Thursday, the 11th May 1848.

"The Board of Directors believing 1st, that the object of Government in promulgating the G. O. G., of the 19th September 1845, that Collectors of Land Revenue and of Customs and other Officers in charge of Public Treasuries under this Presidency, have been authorized to receive the Notes of the Bank of Madras, in payment of Revenue and all other Public demands, was to promote the free circulation of the Notes of the Bank in the interior, and thereby to provide to the payers of Land Revenue and others, an easy, safe, and convenient medium of remittance and payment.

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- 2nd. That the said order had almost, if not altogether, failed to attain these results.
- 3rd. That this failure is to be ascribed, mainly, to the fact, that *almost all* the Land Revenue and other Taxes, received by the Collectors in the interior, are paid into the Talook Treasuries, where Bank Notes are not receivable, and not into the Huzzoor Treasuries, where alone Bank Notes are receivable in payment of Revenue.
- 4th. That the Native Revenue Officers, in charge of these Talook Treasuries, are as capable as any other Government servant of detecting forged Notes, and otherwise guarding the State against the frauds, which the free circulation of Bank Notes might tend to encourage—and
- 5th. That the opening of the Talook Treasuries, for the receipt of Bank Notes in payment of Revenue, would be attended with the results which the order of 19th September 1845, has failed to achieve, and would be most beneficial to the Cultivators of the soil, to the Land-owners, to Government, to the Bank, and to the Public generally. Resolve—That the Secretary be instructed to address a letter to Government, propounding these views, and earnestly recommending the alteration and extension of the above order, so as to admit of Revenue being paid in Bank Notes into the Talook Treasuries.

(A true Extract.)

(Signed) ROBERT HUNTER,
Secretary and Treasurer, Bank of Madras."

5. By a Minute dated 1st June 1848, the Government declined to accede to this request on the grounds:—

- 1stly. That the sums paid into the Talook Treasuries are too small for the object in view.
- 2ndly. That the ryots would be in danger of forgery.
- 3rdly. That the Bank should not seek the "interference of Government."
6. To this the Bank on the 28th June replied, that it did not seek the "interference of Government," that it had attempted to find out the impediments to the extension of the circulation, and that it had discovered the foremost impediment to exist in the orders of Government. That these amounted to a prohibition, which it considered should be removed as being fatal to the credit of its circulation, and a direct bar to improvement, so far as the Public interests were concerned in this matter. This letter goes into several details, shewing in what way the prohibition operates as stated. The Government in reply (13th July 1848) complained that the error of the Bank was in treating it (the Government) "in any other light than a constituent," a remark which is clearly indicative that the Right Honorable the Governor in Council had never fairly apprehended the position taken by the Bank. He refused compliance, on the further ground that it could not affect the interests of the Bank to yield it, a point on which perhaps the opinion of the Bank Directors was entitled to weight. On this correspondence, being received by the Court of Directors, the Court "approved" of the decision of Government.

7. So far the discussion had been well maintained, but unsuccessfully, by the Bank of Madras. On the 1st March 1849, the Chamber of Commerce addressed Government, and based its application on the broad ground of the advantage to all classes of the Public which would arise from the successful establishment of a Mofussil circulation. It had been discovered that the order of the 19th September 1845, had been limited in some way by private orders from Madras. This fact was afterwards virtually admitted, but because the Chamber spoke of orders emanating from the Accountant General and the Revenue Board, whereas it appeared that the only orders were from the Accountant General and that there were none from the Revenue Board, (vide Accountant General's letter, para. 28) the Government, and subsequently the Court of Directors, expended an amount of indignation on this trifling inaccuracy which clearly indicated the spirit in which the subject was to be handled. These orders "under a misconception" were not published—(vide also para. 28.)

8. The letter of the Chamber is a fair exposition of its views on this question; and I take the liberty of referring His Excellency in Council to it, as affording him the means of contrasting the tone in which the application was urged by the Chamber, with that so manifest in the letter of Sir V. Stonhouse, the Accountant General, when that Officer had the task imposed on him of reporting on the subject.

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9. The reply of Government is based on this letter of the Accountant General, and I think it will be admitted on all hands that a document more unworthy of an Officer, holding the position of the Financial Adviser of Government, has never yet been made public. It is a paper extending to 63 paras. and breathes throughout the very narrowest spirit. It treats the application of the Chamber as one not for "the establishment of a general paper currency all over the country but only a paper currency extended so far as will promote their Mercantile operations and interests." It mistakes in the most glaring way the arguments put forward on the other side, and declares that the Chamber desires the "substitution" of a paper currency for a metallic one, as if such displacement were intended to be to the total exclusion of Coin; it indulges in sneering expressions at the opinions of gentlemen "who in reality know nothing" about India, and it asserts that the Chamber only wishes to see Bank Notes circulated "in those particular Districts in which they are engaged in the manufacture of Sugar, Indigo," and the like. The Accountant General accuses the Chamber of "having been led into a number of statements which have no foundation in fact," the only proved mis-statement being the one above referred to, and which was of the most unimportant character as concerned the real question at issue. He also states his belief that, "if the Chamber and the Mercantile Community got all they wanted in those Districts in which they happened to have Sugar or Indigo manufactories, or had to make large exports in Cotton, the Government would never have heard one word from them about the advantages of a general substitution of a paper for a metallic currency." In the 12th para. of his letter, Sir V. Stonhouse repeats this obnoxious charge against the Merchants, and all through he accuses them of devising a scheme which, even if constructed with the greatest ingenuity could never by any possibility be carried into execution. *Viz.*, a contrivance for creating a Note circulation which should be a benefit to one class only of the community. He writes, "the passages I have quoted above afford a very distinct clue to the grand aim and object of the Chamber of Commerce, and the Madras Merchants, namely, that the advantages they seek for in the receipt of Bank Notes into the Talook Treasuries are not for the general good of the mass of the people but for the furtherance solely of their own Mercantile pursuits and convenience."

10. Well might the Chamber say, as it did in its reply, that it may "ask the Accountant General to demonstrate in what way Mercantile interests and objects can be promoted without the benefit being extended to the community at large; or how a benefit to be derived from facility in the transmission of funds is particular and not general."

11. My notice of this letter so far is to shew the sort of treatment which this important subject received at the hands of the Accountant General of the day, and I will only make a very cursory glance at the remainder of the document.

12. In para. 18, the Accountant General accuses the Chamber of "importuning Government for additional privileges" in respect to the circulation of the Notes of the Bank of Madras. He then argues that the restriction is in "name only," the settled Revenue being sixty-three Lakhs, of which twenty-one Lakhs might have been paid in Notes in any one year, whereas only Rupees 2,02,190, were so paid in the years 1845 to 1848 inclusive. But it will be apparent from the table which he subsequently gives that the bulk of the settled Revenue is in only four Districts out of nineteen, and that this line of argument does not touch the case, as even in these Districts there is a large unsettled Revenue payable into the Talook Treasuries.

13. From this the Accountant General deduces the conclusion, that "the privilege of paying in Bank Notes was not wanted by the people of the country." Further he writes, "why is it that when payment to almost any amount (speaking of Vizagapatam) may be made in Bank Notes it is not done? It is not for me to answer that question, let the Chamber of Commerce give a solution of the Problem." I think it will be evident that the solution is an easy one. If the whole District were in Zemindaries, we can understand that Bank Notes being payable for kist would acquire universally a value in the District; but being receivable from one class and not from another, at one Treasury and not at another, their circulation and domiciliation in the District was highly improbable. Moreover, a system which involves a mixed payment of Notes and Silver is an obstacle to the Native mind.

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14. His Excellency in Council will not fail to perceive the fallacy which thus pervades the whole argument. I refer to para. 30 for a confusion of reasoning quite unparalleled, and maintained with a testiness of tone which becomes ridiculous. Para. 32 is a similar instance of this, and when coupled with the fact that the Chamber afterwards furnished *written proof* of the correctness of the statement they made, shews what value is to be placed on the assertion on which was founded an indignant rebuke. In para. 43, the word Collector is used in its restricted Official sense to refute a proposition of the Chamber, in which the term was obviously intended to bear its more general sense, including Deputies, and Native Collectors.

15. The Accountant General then narrates (para. 48) how he made references on this subject to Bombay and Bengal, and how the answers being in the teeth of his own views, he sets them aside altogether. He then concludes with the astounding assertion that he "does not believe that the Bank is in a state to admit of any material increase to its circulation." It is hardly possible to subject such a statement to a grave examination.

16. From the quotations which I have given in the foregoing analysis, it is difficult to believe that the Government in its reply would state, "that the Board of Revenue and the Accountant General had most fully refuted the assertions of the Chamber of Commerce," or that the Court of Directors in a Despatch, dated 26th June 1850, would say that the above is a "complete and masterly refutation."

17. The Local Government arrived at the decision,—1stly, that the restriction to one-third at the Huzzoor Treasuries be abolished; and 2ndly, that the reception of Bank Notes at Talook and Subordinate Treasuries be refused.

18. The Chamber of Commerce had replied to the Minutes of Government in a letter dated 19th January 1850, and I submit that this document is a complete and satisfactory answer on all points. It concludes by handing up proof of one of its assertions which had been flatly denied. The Government reply is merely a refusal to alter its opinion.

19. The Court of Directors in the Despatch above alluded to, after a compliment to the Board of Revenue and the Accountant General, and accusing the Chamber of Commerce of "misrepresentation," approves entirely of the decision of Government.

20. The question having been thus disposed of by the authorities, was not again pressed on the notice of Government until the year 1856, when the Bank of Madras in a letter dated 29th January 1856, took occasion to bring under the consideration of Government a Notification from the Ceylon Government Gazette, dated 28th December 1855.

21. This Notification, to which I have the honor of referring His Excellency in Council, is a document well worthy of the consideration of Government; and I believe that I am not overstating the fact in describing it as strong evidence of the marked step in advance of India which Ceylon has made as a consequence of its comparatively liberal political constitution.

22. In that country, the Government has the benefit of the advice of the Legislative Council, in which all classes are represented; and where on matters of finance, the opinions of practical men of business are obtained.

23. The Notification in question is of so wise and liberal a character, and contrasts so strongly with the mode of action of the Madras Government and that of the East India Company, that all were curious to see how its example would be treated on this occasion. It concedes to the Notes of a private Banking Corporation having no connexion with Government, and under no Government control, that very facility regarding the reception of its Notes as Government dues at all the Government Cutcheries, which we had been seeking in vain at the hands of the Madras Government for the Notes of the Chartered Bank of Madras; one-tenth of the Capital of which Institution is the property of Government and one-third of whose Board of Direction are Government Nominees.

24. The Madras Government replied to this on the 7th April 1856, and the Chamber is bound to observe, that from this point, the subject has been treated in a most considerate and befitting tone both by the Local Authorities and by the Court of Directors; it could be wished that the subject matter of reference had been considered with more liberal views and had been argued on what the Chamber considers wider and sounder principles.

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25. The Government resolved to re-submit the matter to the Court of Directors and to seek information from the other Presidencies; in the meanwhile, it asks the Bank whether, if its application be complied with, it "will be prepared to establish Branch Banks at such places, and under such conditions as Government may indicate."

26. To this question the Bank replied that it would afford to the holders of its Notes facilities for their conversion into specie equal to those now offered by the Chartered Banks of Bengal and Bombay. To this the Government on the 17th July, very fairly rejoins that the Bank's answer does not meet the question asked of it. Nor does it do so in express terms, although no doubt it was tantamount to declining the Government offer. At the same time the reference to the other Chartered Banks of India was not without its cogency, as I shall presently shew. The Government therefore repeats its question, and the Bank in reply specially declined to open Branches; so, on the 4th, the Government resolve to forward all the papers to the Court of Directors for ultimate decision.

27. The Court of Directors in their final Despatch, dated 11th March 1857, reviews the papers before it, and observes that the Ceylon Government in according the permission for the receipt of the Notes of the *Oriental Bank* at all Government Cutcheries, stipulated "that the Notes of the Oriental Bank, thus received, are to be paid at the Branch Banks of Kandy and Galle, as well as when presented at Colombo in such manner as may be most convenient to the Government, without reference to the Districts for which they are issued, and without any charge whatsoever, the Manager also taking upon himself the responsibility, on receiving a notice of sixty days, of remitting specie, once in six months to Trincomalie and Jaffna, to be there exchanged for the Notes that may have accumulated in the Government Treasuries."

28. In declining to accede to the proposed measure unless Branches be established, the Court concludes with the following observations. "We desire not to be misunderstood in our treatment of this subject. The whole question of affording to the Indian Public, the accommodation of a more extended paper currency is worthy of being well considered. But in examining positions of this nature, there are two essential points which require attention, and which are embraced in a consideration of the measures to be taken, first, for ensuring ready convertibility, and secondly, for the prevention of forgery. We do not believe that any plan which does not present greater facilities for the conversion of the Notes than those proposed by the Directors of the Madras Bank, and which limit the conversion to the Bank's Office in Madras, would be successful, and although the most excellent system may fail to prevent fraud, yet we should wish to be assured that such means will be devised by the Bank as will make the illegal fabrication of their Notes a very difficult matter, and, at the same time, that such rules will be prescribed for the use of the Government Treasury Officers, as may facilitate the detection of forgeries."

(True Extract.)

(Signed) E. MALTBY,
Acting Chief Secretary.

29. It is from this point that the Chamber desires to take up the argument, in a question which they deem cannot be considered other than of national importance.

30. In the foregoing review, if any undue harshness of expression has been noticed by His Excellency in Council, the Chamber desires me to offer the assurance that it arises from no want of respect for the Members of Government either past or present. It is to be remembered that in the Accountant General's letter on which the Government proceedings were founded, there is to be found much that provokes angry retort, and there is such evidence of unscrupulous antagonism that it is difficult for one on the other side to review its contents without some strength of language.

31. With this preliminary, I am desired to observe, that the proposed imposition on the Bank of Madras of similar stipulations to those imposed on the Oriental Bank, were unnecessary and impolitic.

32. The Towns of Kandy and Galle are each the seat of considerable trade, Kandy is the head quarters of the Coffee Planters, and Galle is a Sea-port, having a very extensive import and export trade. Already the Ceylon Banks including the Oriental, had Branches at these places.

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33. It was no hard condition then, to impose on the Oriental Bank, that their Notes in the hands of Government or the Public should be convertible at their own already existing Branches; in fact, the only part of the stipulation which was practically new to the Bank was that the Notes should be convertible *wherever issued*, at each or every Branch. At Trincomalie and Jaffna, where no Branches existed, the Ceylon Government, with the most liberal consideration, allowed sixty days *after notice given*, for the Bank to convert into Silver the accumulation of their Notes at those places.

34. His Excellency in Council will take due note of the expression "after notice given" because it evidences that Government not only allowed the Bank ample time to redeem its engagements at these places, but contemplated this being done only on occasions when it should be necessary.

35. Now we may contrast these terms with those which the Government sought to fix upon the Bank of Madras, and before doing so, we will again enquire what it was the Government was asked to do in the first instance.

36. The demand of the Bank of Madras was, that the *restrictions* now existing be taken off, and that as the consequence, Government do permit all persons having to pay Government dues, to tender them in Notes of the Bank of Madras, not only at the Principal Collector's Treasuries, but at the Talook and all Subordinate Treasuries and at the Sea Custom Houses. I have already described the character of a Note of the Bank of Madras as compared with one of the Oriental Bank Corporation; and it has all through this correspondence, been intimated that such a reception of Notes was to be made strictly subordinate to the convenience of the Government's own financial operations, that neither the Bank nor the Chamber desired to embarrass the Accountant General or the Collectors by swamping them with more Notes than they could make use of, and that any regulations having *only* this object in view would be cheerfully acquiesced in. Here was a full and complete safety-valve for Government, equivalent to the local conversion of Notes stipulated for in Ceylon, and with regard to which the Ceylon Government made no restriction, as to amount or proportion.

37. But the Madras Government hampered the concession with a condition which it knows, is at the present time, impossible of acceptance. The Bank of Bengal, with near four times the Capital of the Madras Bank, and with eight times the circulation, has no Branch; Bengal possesses Commerical Cities of far greater importance than does this Presidency, yet are Mirzapore and Benares without Branch Banks to this day.

38. The Bank of Bombay has no Branches, though it as the trade of the Deccan and that of the Indus behind it. The evidence so far as we have it, is in favor of each of these establishments having a large Mofussil circulation, unrestricted by *refusal* at all or any of the Government Treasuries.

39. But the Government of Madras would not try this experiment, one by which it can be proved itself was to benefit, without the Madras Bank opening Branches where it (the Government) might determine, and such determination apparently irrespective of any financial consideration but the conversion of Notes.

40. The question of opening a Branch is a very serious one, involving a responsibility not lightly to be assumed, and depending mainly on circumstances of a local character.

41. Not one City, Town, Station, or District, exists in this Presidency where a Branch Bank can be opened with the slightest prospect of being self supporting. Secunderabad and Bangalore would be the most likely places for success, but they are in countries not within the administration of the Madras Government, and Branches there, far away from all its Treasuries, would be absolutely useless for the purpose referred to in this question. The Chamber is of opinion that there is not, at this present time, one spot in Southern India, where such a project would be at all warrantable.

42. I therefore am desired to submit, for the consideration of His Excellency in Council, that this condition is an unreasonable one, and that its maintenance is an insuperable bar to any progress in the question.

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43. I have therefore most respectfully to request that the subject may be again considered, and be submitted, if necessary, to the Secretary of State for India in Council. In doing this, I feel assured that His Excellency will not overlook the following prominent points.

1st. That a Bank Note circulation, of good character and credit, is a benefit to the people of a country.

2nd. That the refusal of Government to receive Bank Notes at those Treasuries where the great bulk of the Revenue is actually paid, is fatal to their credit, and considering the large sums received from the people by Government, is a bar to their circulation.

3rd. That the use of Bank Notes will much facilitate the operations of Merchants, the financial transactions of the Government, and the realization of the produce of the soil.

4th. That no "privileges" are asked of Government, but merely that it shall adopt measures for the conduct of its financial business, by abolishing restrictive orders, which will be more in accordance with modern usage, and better adapted to the wants of the country.

5th. That the Government has the best security for the ultimate conversion of the Notes of the Bank of Madras, in the presence at the Board of its own Directors.

6th. That the ability to remit surplus funds to the General Treasury by means of Bank Notes, will be a cause of considerable saving to Government.

7th. That a similar convenience and facility will exist for the payment in Notes of Official Salaries and Officers' pay, and that such will be a great boon to the recipients.

8th. That when a value in the Mofussil is thus given to the Bank Note, the facility of placing funds therewith at any given point, is an advantage to the producer, enhances the value of his labor, and contributes to the wealth and prosperity of the country.

9th. That it is time this country emerged from the barbarous condition of using a currency almost exclusively metallic, and that such a step will be a marked improvement in its civilized condition.

10th. That the risk of forgery is no greater in this than in other countries. That the Notes of the Bank of Madras are exceedingly difficult of imitation, and that the people have been acquainted with Hoondies and such like paper money for centuries past.

No. 5. MINUTE by the HONORABLE the PRESIDENT, dated 16th July 1859.

I have recorded my opinion, in my Minute dated 11th Instant, as to the course which is most for the advantage of the Public interests on this subject. I am prepared to give my reasons for preferring that course to the one recommended by the Madras Chamber of Commerce, or to any other; but as this is one of the subjects in reference to which India ought to be dealt with as a whole, our communications upon it should, I think, be with the Supreme Government.

I, therefore, propose that a copy of this letter be sent to the Supreme Government, with an expression of our opinion to the above effect.

The Chamber of Commerce should be informed, that we recognise the Public importance of the question which has been raised by them; but as this is one of the subjects in reference to which India should be dealt with as a whole, it has been thought right to communicate upon it with the Supreme Government, and a copy of Mr. Nelson's letter has been forwarded for the information of the Governor General in Council.

A copy of all the papers should be sent to the Secretary of State.

(Signed) C. E. TREVELYAN.

No. 6. MINUTE by the HONORABLE WALTER ELLIOT, Esq., dated 18th July 1859.

I have always been of opinion, that the circulation of Notes of the Bank of Madras, in the Mofussil, would be a great public convenience, and that the right of doing so, should be accorded by the ruling power. And I have advocated this course on former occasions.

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I am happy to express my concurrence in the course proposed by the Honorable the President, and with reference to the particular mode in which the measure should be carried into effect, I am prepared to give my support to the plan he may consider best suited to the purpose, in reliance on his acknowledged ability to deal with such subjects.

(Signed) WALTER ELLIOT.

No. 7. ORDER THEREON, 23rd July 1859, No. 406.

In the letter above recorded, the Chamber of Commerce again bring under consideration the subject of the receipt, at the Talook and Subordinate Treasuries of this Presidency, of Notes of the Bank of Madras, tendered in payment of sums due to Government.

2. The Honorable the Governor in Council recognizes the public importance of the question, which has been raised by the Chamber of Commerce; but as this is one of the subjects in reference to which India should be dealt with as a whole, he thinks it right to communicate upon it with the Supreme Government, and he resolves accordingly to lay before them a copy of the Chairman's letter, with copies of the Minutes recorded thereon by the Honorable the President and the Honorable Walter Elliot.

3. Copies of all the papers will also be forwarded to the Right Honorable the Secretary of State for India.

4. Ordered that the following letter be despatched.

(Signed) T. PYCROFT,
Chief Secretary.

Mo. 8. TO THE SECRETARY TO THE GOVERNMENT OF INDIA, in the Financial Department, dated the 23rd July 1859, No. 407.

I am directed to request that you will bring under the consideration of the Right Honorable the Governor General in Council of India, the accompanying copy of a letter* from the Madras Chamber of Commerce, on the subject of the receipt, at the Taluq and Subordinate Treasuries of this Presidency, of Notes of the Bank of Madras, tendered in payment of sums due to the Government, together with copies of the Minutes recorded thereon by the Honorable the President and the Honorable Walter Elliot.

* Dated 13th April, 1859.
Letter from the Revenue Department,
13th July 1859, No. 932.

2. The Honorable the Governor in Council recognizes the Public importance of the question, which has been raised by the Chamber of Commerce; but as this is one of the subjects in reference to which India should be dealt with as a whole, he has thought it right to communicate upon it with the Supreme Government.

(Signed) T. PYCROFT,
Chief Secretary.

Exd. A. P. W. Begbie.

prepared to give my reasons for preferring that course to the one recommended by the Madras Chamber of Commerce or to any other; but as this is one of the subjects in reference to which India ought to be dealt with as a whole, our communications upon it should, I think, be with the Supreme Government -

I, therefore, propose that a copy of this letter be sent to the Supreme Government with an expression of our opinion to the above effect -

The Chamber of Commerce should be informed that we recognise the public importance of the question which has been raised by them; but as this is one of the subjects in reference to which India should be dealt with as a whole, it has been thought right to communicate upon it with the Supreme Government and a copy of Mr Nelson's letter has

been forwarded
for the information
of the Governor
General in Council -

A copy of all
the Papers should be
sent to the Secretary
of State

Wm. Mackenzie

16 July 1859.

I have always been of
opinion that the circulation
of Notes of this Bank of the
Province of the Cape of Good Hope
is a great public convenience
& that the right of doing so
should be accorded to the
Government. I have advocated
this course on former occasions.

I am happy to express my
concurrence in the course pro-
posed by the Hon^{ble} the President
and with a few more

the particular mode in which
the measure should be carried
into effect, I am prepared
to give my support to the
Hon^{ble} the President in his
acknowledged ability
to deal with such subjects.
18/7/59
Wm. Mackenzie

I have recorded my
opinion, in my Minute
dated the 11th Instant
as to the course which
~~is most for the~~
is most for the
advantage of the
public interests on
this subject. I am

Financial Department.

Proceedings of the Madras Government.

Read the following papers:

From the Chamber of Commerce. (Dated 12th April 1859.)

Minate by the Honorable the President. (Dated 16th July 1859.)

Minate by the Honorable Walter Elliot. (Dated 18th July 1859.)

Order thereon 23rd July 1859, P. 406.

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2. The Honorable the Governor in Council recog-
nized

Com 2nd Sept 1857 16:17

List of 29 July

Fin. Ltr to Eng. 23rd July
No. 17 of 1859

29 July 59
Financial 1859 Dept.

From
The Chairman of the
Chamber of Commerce

Ap. 12 April 1859.
Ap. 18 July 1859

No. 331.

Submits once more
for the consideration of
Govt. the subject of the
receipt, at the Talook
and subordinate Treasuries of this Presidency
of Notes of the Bank
of Madras, tendered in pay-
ment of sums due by Govt.

highlights the public importance
of the question which has
been raised by the Chamber
of Commerce; but as this
is one of the subjects in
reference to which India
should be dealt with as a
whole, he thinks it right
to communicate upon it
with the Supreme Government,
and he resolves accordingly
to lay before them a copy
of the Chairman's letter, with
copies of the Minutes recorded
thereon by the Honorable the
President and the Honorable
Walter Elliot and of that
portion of the President's
Minute dated the 11th Instant
which contains his opinion
as to the course which is
most for the advantage
of the public interests on
this subject.

shewly four.

90
3. Copies of all the
papers will also be for-
warded to the Right
Honorable the Secretary
of State for India ~~by~~
~~the~~ ~~mail~~.

Ordered that the
following letter be des-
patched: *to the Secy to
the Govt of India*
JP

To the Secretary to the Govt of India.

To the Chamber of Commerce.

" Accountant General.

116
} *Disptd 23rd*

Financial Department

Dispt 23^d

N^o 407

The Secy to the Govt of India -
in the Financial Department
Sir,

I am directed to request
that you will bring under
the consideration of the Right
Honble the Governor General
in Council of India the
accompanying copy of a
letter from the Madras Chan-
-ber of Commerce on the
subject of the receipt, at
the Taluk & Subordinate
Treasuries of this Presidency
of Notes of the Bank of
Madras tendered in pay-
-ment of sums due to the
Govt. - together with copies
of the Minutes recorded
thereon by the Honble the
President and the Honble
Walter Elliot, and of

12th April, 1859.

Recd of Secy. Secy.

Dispt 23^d July 1859

No of Govt 29 July
Junt 1859 Receipts. -

N^o 406

Proceedings of Government

Dated 23 July 59.

458

7th July

Letter from the Governor Sept. 13. 1859. No. 122.

and referred to
in that how under
the omission was
despatched on
11. 13. Instant.

~~that part of~~ The President's
Minute dated the 11th
Instant which contains
his opinion as to the course
which is most for the
advantage of the public
interests on this subject.

2 The Honble
the Governor in Council
recognizes the public im-
portance of the question
which has been raised
by the Chamber of Com-
merce; but as this is one
of the subjects in reference
to which India should be
dealt with as a whole, he
has ~~thought~~ it right to com-
municate upon it with
the Supreme Government.

V. S. R. 1040
23 July 1859

I have &c
J. P.

Chambers letter & the 2 Minutes
to follow -

Recd of 29 July

7th & 8th 20th July
22nd 17th of 1859

Pro of Govt 29 July

Recd 1859. Depart.

No 407.

To
The Secretary to the Govt
of
Madras.

Dated 23 July 1859.

Received 31st Aug 1859
Treasurer the

Respect on the duty of
the receipt at the Valore
and labor should be
sums of the Bank of India
tendered in payment of
sums due to Government