

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 258

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Dated 2. 6.

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*Proceedings of the Madras Government, Financial Department,
2nd June 1860.*

No. 4. Read the following letter from C. HUGH LUSHINGTON, Esq., Secretary to the Government of India, in the Financial Department, to the Chief Secretary to Government, Fort Saint George, dated 19th May 1860, No. 4,193.

I am directed to refer you to my Telegrams Nos. 15 and 17, in which I communicated to you the Notifications of the 8th and 10th instant, in reference to the proposed conversion of the out-standing Treasury Bills into Government Notes bearing 4 per cent., 5 per cent., or 5½ per cent., respectively, subject to the same terms as to the rate of interest and time and conditions of repayment, as were provided for by the Notifications under which the 4 per cent., loan of 1854-5, the 5 per cent. loan of 1857, and the 5½ per cent loan of 1859, for those stocks respectively, were issued.

It will be observed from the Notification of the 8th of May in what manner the Tenders are to be dealt with. You will, with the permission of the Government of Madras, be good enough to arrange for the attendance of the Accountant General and of one of the Directors of the Bank of Madras at the time appointed for opening the Tenders. But before you proceed to open the Tenders you will write upon a piece of paper the minimum price which the Government will accept for each of the three different descriptions of stocks named, and having sealed them up, hand them to the Director of the Bank who is present. If the Tenders which are made are above the minimum for the whole amount and are therefore accepted, the sealed paper will be returned to you unopened, but if any of the Tenders are below the minimum, and such therefore as cannot be accepted, then the sealed paper will be opened, the minimum declared, and the parties tendering below the fixed rate will have the option of increasing their tenders to the minimum rates so declared for any of the Stocks into which the Bills may be converted.

There are some of the Treasury Bills for amounts as low as 200 *Rupees*, while the Government Notes into which it is proposed to convert them will be of 500 *Rupees* and upward. There may therefore be, from this or from other causes, odd sums included in some of the Tenders. In all such cases you may give the option to the parties either to pay up the odd money in cash, so as to make the amount of a Government Note, or to receive the difference in cash.

In all cases of conversion the interest upon the Treasury Bills should be computed up to the 2nd of June and paid. And the interest upon the Government Notes will accrue from that day and be paid in anticipation up to the date when the next instalment of interest upon the different stocks will be payable.

With regard to the minimum to be fixed you will ascertain to the best of your ability the price of the beforenamed stocks at the close of business on the evening of the 1st day of June and you will fix your minimum at 1½ per cent. (say *one and a half per cent.*) below such prices.

As those prices will be kept absolutely secret until the tenders are opened they will not affect such tenders, and it is an object in a financial point of view that the Bills should be converted rather than paid off.

No. 5. ORDER THEREON, 2nd June 1860, No. 258.

Ordered that a copy of the foregoing letter be furnished to the Accountant General.

(Signed) T. PYCROFT,
Chief Secretary.

Order thereon. 2^d June 1860. No 358.

Ordered that a copy
of the foregoing letter be for-
-warded to the Assistant
General.

J.P.

To the Asst^t General. Dispa^d 2^d