

*Proceedings of the Madras Government, Financial Department,
20th November 1860.*

Read the following papers:—

No. 41. From J. OUCHTERLONY, Esq., to J. D. BOURDILLON, Esq., Secretary to Government, Fort Saint George, dated Ootacamund, 12th October 1860.

I have the honor to request that you will bring the following circumstances under the consideration of the Honorable the Governor in Council.

2. In the absence of any Local Banks, the large Agriculturists on the Neilgherry Hills and their environs have been dependent on Madras for a supply of the requisite funds for their operations. Formerly a facility existed for obtaining these through the medium of Bills drawn by the Accountant General on the Collector of Coimbatore; but this avenue was altogether closed to the public from the time that Railway works were commenced in the District, and we from that time have been driven to such resources as the local money market of Ootacamund might afford.

3. It is hardly necessary to observe that these resources are of a very limited kind; and, as a consequence, money for agricultural purposes has been unattainable for the greater part of the year save under a heavy discount, sometimes reaching 3, 3½ and even 4 per cent. ! But this has been submitted to under the consideration that the convenience of the State required all local public funds to be available for the peculiar Railway work, which was conducted under a State guarantee of interest.

4. Within the last few months however a condition of things has sprung up, which increases the difficulties of Agriculturists in this respect. There is one season at which Drafts on Madras can usually be sold at par in this market; and it is precisely at this season that the Government has stepped in, through the local Revenue Officer, as a competitor with that portion of the trading public which *sells*. The Assistant Collector grants Bills at par on any place that a buyer applies for; and this apparently without limit, for the resulting accumulation of specie in the Ootacamund Treasury is much beyond the Government wants of the place. The practical effect of this sale of Bills in the local market is, first, to give an unfair advantage to the traders who require to buy; and, next, to enable these to dictate to private sellers. I speak from experience. Those who would now be otherwise buying Bills from me at par, demand a discount because of the facility of supplying their wants through the Government Drafts.

5. If, at the same time of this system being introduced, a means was opened of obtaining money from the surplus funds here through payments made into the Treasury at Madras, the arrangement would not press so onerously on Agriculturists. But the Accountant General's list makes no such sign; nay I am informed that applications for the convenience, made by independent traders, have been refused. I should however observe, for I have been equally informed of the fact, that such Orders on the Ootacamund Treasury are used to a certain, perhaps considerable, extent for the accommodation of members of families of those in the public service (an indulgence to which no one would take any exception,) but apparently they are not *altogether* confined to these, for, while I hear of some being refused, I am at the same time told of others unconnected with the public service (Mr. Cockburn and Mr. Dawson) in whose favour Bills have been drawn.

6. If it be found necessary, in order to secure a sufficiency of funds on the Bills for public purposes, to continue the present system of selling Government Drafts on other places, then I would respectfully submit the expediency of so arranging this that it shall practically operate with no avoidable partiality for any particular class of traders. And this, it appears to me, can be done in one of two ways, either by causing Bills to be drawn by the Accountant General in the usual way for any surplus funds in the Ootacamund Treasury; or, which perhaps would be better, by allowing applications to be registered by the Assistant Collector here, the money being paid over on the production of a certificate that the equivalent had been lodged in the Madras

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No.	573	Press ~~Mis.~~
Dated	20. 11.	1860

B/s no. 41-43

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Not to be folded or roughly handled

*Proceedings of the Madras Government, Financial Department,
20th November 1860.*

Treasury. Of course in this latter case a certificate from the Assistant Collector of the registered application would be the authority for the payment at Madras.

Referred for the report of the Acting Accountant General.

17th October 1860.

(Signed) T. PYCROFT,
Chief Secretary.

No. 42. From F. LUSHINGTON, Esq., Acting Accountant General, to the Chief Secretary to Government, Financial Department, Fort Saint George, dated 5th November 1860, No. 261.

I have the honor to acknowledge the receipt of the Order of Government, in the Financial Department, No. 547, dated the 17th ultimo, referring for my report a letter from Mr. J. Ouchterlony a resident at Ootacamund, complaining of the want of proper management of the Treasury at that station, and of the serious difficulties, which he, and other Agriculturists, have in consequence to contend with, in supplying themselves with funds to conduct their operations, and offering for the consideration of Government certain suggestions in view to the removal of those difficulties.

2. The objection taken by Mr. Ouchterlony to the management of the Treasury is twofold, viz., 1st that the Government, through the local Revenue Officer, compete with the trading and Agricultural portion of the community in selling Bills on Madras, and elsewhere; the effect of such competition being to oblige the latter to sell at a discount Bills, which might otherwise be disposed of by them at par, and 2ndly that undue partiality is evinced in granting Bills on the Ootacamund Treasury; such Bills having been in some instances granted to parties unconnected with the public service, while in others, they have been refused. Of those who have been thus favored with Bills, Mr. Ouchterlony cites the case of Messrs. Dawson and Cockburn.

3. The suggestions offered by Mr. Ouchterlony for the correction of these evils, are that either the Accountant General be required to draw Bills in the usual way for any surplus funds in the Ootacamund Treasury; or that applications should be registered by the Assistant Collector, the money being paid over on the production of a certificate that the equivalent had been lodged in the General Treasury at Madras. The latter appears to Mr. Ouchterlony the preferable course.

To enable me to reply to the first objection taken by Mr. Ouchterlony I requested the Assistant Collector in charge of the Ootacamund Treasury to send me a list of all Bills granted by him on the General and other Treasuries since the commencement of the present official year. On examining the statement furnished by that Officer, I find that only 3 Bills amounting in the aggregate to Rupees 1,600 were granted by him during the past 6 months on the Treasury at Madras, and this fact appears to me sufficiently to dispose of Mr. Ouchterlony's complaint of the ill effects of the competition existing between Government and the Agriculturist in the sale of Bills on Madras. On Bombay the Bills granted have been more numerous and larger in amount, but I do not gather from Mr. Ouchterlony's remarks that he objects to the issue of Bills on that Presidency. It may however be proper to remark that it was at the special request, and to suit the convenience of the trading community at Ootacamund, that Government in their Proceedings of the 2nd August 1859, first authorized the Assistant Collector to grant Bills on Bombay. Other Bills have been issued on some of the Mofussil Treasuries, but they have been few in number, and of trifling amount.

5. The second objection urged by Mr. Ouchterlony more nearly affects this Office, for if partiality has been evinced in complying with applications for Bills on the Ootacamund Treasury, as alleged, the blame rests solely with the Accountant General, by whom all such applications are disposed of. I have accordingly the honor to submit for the information of Government a list exhibiting the number and particulars of all Bills granted by Mr. Harrison and myself to persons unconnected with the public service, on the Ootacamund Treasury, during the present year. From this list it will be observed that 13 Bills only have been granted in

*Proceedings of the Madras Government, Financial Department,
20th November 1860.*

2

that period, viz., 5 by Mr. Harrison in May, and 8 by me subsequently. In each application for those Bills it was stated that the money was required for the personal expenses of the residents on the Hills, and I have certainly never knowingly refused any application, when the sum applied for was small, and stated to be on the above account, whether the applicant was in or out of the service. No Bill was however granted to Mr. Dawson, and only one for Rupees 300 to Mr. F. Cockburn. It is probable therefore that Mr. Ouchterlony has been misinformed on this point.

6. With reference to Mr. Ouchterlony's general remarks and suggestions, I have only to observe that it has always been the anxious endeavour of this department to meet in every way the wishes and convenience of the Agricultural and trading community, and especially of those residing in the Provinces, so far as might be compatible with the interests of Government; but since the commencement of Railway operations in Coimbatore, considerable difficulty has been experienced in keeping the Treasuries of that District sufficiently provided with funds. This difficulty would obviously have been greatly enhanced had the Coimbatore Treasuries been operated upon by Bills drawn from Madras, and could only have been adequately met by supplementing their funds with cash remittances from other Districts, which would have entailed a loss upon Government.

7. There now appears to be sufficient money in the Ootacamund Treasury to warrant a portion of it being withdrawn by Bills, but in lieu of Mr. Ouchterlony's suggestion, I propose, with the permission of Government, to require the Assistant Collector in charge to advise this Office weekly of the amount available for Bills on his Treasury for insertion in the Fort Saint George Gazette in the usual course, the Assistant Collector being further directed to affix in his own Office notice of the amount to be advertised, to enable parties on the Hills to make timely application through their Agents at Madras for such sums as they may require, and that may be available.

8. I beg in conclusion to state that I have recently refused two applications for Bills from persons unconnected with the public service, as I thought it desirable, pending the decision of Government on this reference, to abstain from granting further Bills to such parties. The enclosure is a reply received from Messrs. Parry and Co., to my letter refusing their application for a Bill and informing them of the grounds of my refusal.

List of Bills granted on the Ootacamund Treasury for the official year 1860-61; from 1st May to 26th October 1860, to individuals unconnected with the Public Service.

No. and date of Bills.		On whose application.	In whose favor.	Amount.		
No.	1860.					
2	1st May.....	Messrs. Arbuthnot and Co.....	J. Hayne, Esq.....	300	0	0
3	" "	Do.	Miss Phillips.....	220	0	0
1	" "	Messrs. Bainbridge, Byard, Gair and Co.....	Messrs. Bainbridge, Byard, Gair and Co.....	300	0	0
16	29th "	Messrs. Arbuthnot and Co.....	Miss Phillips.....	220	0	0
13	25th "	E. Lecot, Esq.....	E. Lecot, Esq.....	500	0	0
26	28th June.....	Messrs. Arbuthnot and Co.....	Miss Phillips.....	220	0	0
37	24th July.....	Do.	Do.	220	0	0
42	6th August.....	Messrs. Parry and Co.....	James Hall, Esq.....	350	0	0
50	24th "	Messrs. Arbuthnot and Co.....	Miss Phillips.....	250	0	0
56	6th Sept..	Messrs. Parry and Co.....	James Hall, Esq.....	350	0	0
64	25th "	Messrs. Arbuthnot and Co.....	F. Cockburn, Esq.....	300	0	0
66	27th "	Do.	Miss Phillips.....	250	0	0
79	26th October..	Do.	Do.	250	0	0
Total.....				3,730	0	0

(Signed) F. LUSHINGTON,
Acting Accountant General.

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20th November 1860.*

From Messrs. PARRY and Co., Madras, to the Accountant General, Fort Saint George, dated 26th October 1860.

We have the honor to acknowledge your letter of the 25th instant, in which you state that in consequence of the representations of Mr. Ouchterlony and others who complain of the grant, by Government, of Bills on the Ootacamund Treasury to private parties, you have referred the question to Government.

We have now the honor to request that you will ask the Government not to decide this matter on the ex-parte representations of Mr. Ouchterlony or other persons interested, but to make full enquiry with the view to the Ootacamund Treasury being impartially used for the convenience of the residents, if such be convenient to Government.

(True Copy.)

(Signed) THOMAS PEACHEY,
Actg. 2nd Assist. Acctt. General.

No. 43. ORDER THEREON, 20th November 1860, No. 573.

In the second of the letters above recorded, the Acting Accountant General reports on the representation made by Mr. J. Ouchterlony of the want of proper management of the Treasury at Ootacamund and of the serious difficulties which he and other Agriculturists have to contend with in supplying themselves with funds to conduct their operations.

2. In this report the Accountant General has, it appears to the Government, fully replied to the objections taken by Mr. Ouchterlony to the management of the Treasury, as well as to his general remarks on the subject. As however there is now sufficient money in the Ootacamund Treasury to warrant a portion of it being withdrawn by Bills, that Officer proposes (in lieu of Mr. Ouchterlony's suggestion) to require the Assistant Collector in charge to advise his Office weekly of the amount available for Bills on that Treasury, for insertion in the Fort Saint George Gazette in the usual course, the Assistant Collector being further directed to affix in his own Office notice of the amount to be advertised, to enable parties on the Hills to make timely application through their Agents at Madras for such sums as they may require and that may be available.

3. The Government approve of the course above proposed and desire that the Accountant General will accordingly carry it out.

(Signed) T. PYCROFT,
Chief Secretary.

Exd. F. Cartledge.

Financial Department

Proceedings of the Madras Government

*Read the following
letters:*

*J. Ouchterlony Esq^r
Ootacamund*

(Dated 12th October 1860)

From the Actg. Acctt. General

(— 5th November — No 261)

Order thereon 20th November 1860. No 573.

*In the second of the
letters above recorded the Acting
Accountant General reports on
the representation made by
Mr. J. Ouchterlony of the want
of proper management of the
Treasury at Ootacamund & of
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their operations.*

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2 In this report the Accountant General has, it appears to the Court, fully replied to the objections taken by Mr Ouchterlony to the management of the Treasury, as well as to his general remarks on the subject - It however there is now ~~appears~~ ~~there is~~ sufficient money in the Octacommund Treasury to warrant a portion of it being withdrawn by Bills, that Officer ~~has~~ proposed (in lieu of Mr Ouchterlony's suggestion) to require the Assistant Collector in charge to advise his Office weekly of the amount available for Bills on that Treasury for insertion in the Fort St George Gazette. in the ^{course} usual, the Assistant Collector being further directed

4
to affix in his own Office notice of the amount to be advertised, to enable parties on the Hills to make timely application through their Agents at Madras for such sums as they may require & that may be available.

3 The Court approve of the course above proposed & desire that the Accountant General will accordingly carry it out.

To the Acct^y General }
" S. Ouchterlony Esq^r } dep^d 25th
with copy of the Acct^y General's letter.

Financial 1802. Receipts

No 573.

Proceedings of Court

7th 1802 - 1803 -
October 20th November 1802.

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