

(1) Number of pages 30.
(2) Date of repair 6. 6. 38.
(3) Initials of the Referencer Q

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No.	<u>15</u>	Press
		Mis.
<u>19-20.</u>		
Dated	<u>9-1-</u>	<u>1861.</u>

B/n. 19-20

14/15

Not to be folded or roughly handled

*Proceedings of the Madras Government, Financial Department,
9th January 1861.*

No. 19. Read again letter from the Secretary Military Female Orphan Asylum, dated 7th November, and recorded in Proceedings, Public Department, of the 16th idem.

Read also the following letter from R. P. HARRISON, Esq., Accountant General, to the Chief Secretary to Government, Fort Saint George, Public Department, dated 7th December 1860, No. 306.

I have the honor to acknowledge the receipt of G. O. No. 1,654, dated 16th, and received 22nd ultimo, referring to me for report a letter from the Secretary Military Female Orphan Asylum, No. 401, dated 7th Idem, representing the hardship that the Asylum will suffer if required to repay the sum of Rupees 2,376-3-0 being the amount of donation gained by the purchase of Government Promissory Notes at a discount, and stating that the Governors of the Institution are of opinion that they cannot legally transfer the capital of their funds into non-transferable Treasury Notes.

2. In reply I beg to state that the amount of excess donation obtained from Government by the Military Female Orphan Asylum in consequence of the investment of portions of their balances in Government Promissory Notes purchased at a discount, viz., Rupees 2,376-3-0 up to 30th April 1860, was ordered by the Right Honorable the Secretary of State for India to be recovered from the Asylum, in his Despatch to the Government of India No. 80, dated 25th May 1860, paragraph 5, G. O. Financial Department No. 391, dated 9th August 1860, and I would therefore respectfully suggest that a reference be made to the Home Authorities if the Government are of opinion that the claim of Government against the Female Orphan Asylum should be relinquished.

3. With reference to the surrender to this Office, for cancelment, of the Promissory Notes of the Asylum, directed in paragraph 2 of the Acting

* Forwarded in original, to be returned.

Accountant General's Circular* No. 1,000, dated 28th August last, I have to observe that the Government of

† Forwarded in original, to be returned.

India, to whom a copy of that Circular was forwarded, pointed out to Mr. Lushington in the letter† to him from their Financial Secretary No. 10,295 dated 3rd

October last, paragraphs 3 and 4, that it was not intended that all the Promissory Notes now belonging to the several Service and Charitable Funds should be

‡ A copy is forwarded.

cancelled, and Mr. Lushington in his letter‡ to the Financial Secretary to the Government of India 1,713, dated 15th ultimo, submitted an

explanation of the grounds on which his instructions to the Secretaries to the Charitable and Service Funds of this Presidency were based, and solicited of the Government of India a reconsideration of their opinion on the point. Pending further orders from the Government of India therefore, the question regarding the surrender and cancelment of all the Promissory Notes belonging to the Military Female Orphan Asylum, and also the Male Orphan Asylum and Service Funds need not be insisted on.

CIRCULAR.

From F. LUSHINGTON, Esq., Acting Accountant General, to the Secretaries to the Madras Civil Fund, Charity Branch, Military and Medical Funds, and the Military Male and Female Orphan Asylums, dated 28th August 1860, No. 1,000.

Under orders from Her Majesty's Secretary of State for India, contained in his Financial Despatch to the Government of India, No. 80,

Military Fund.....	Rupees	73,365-	3-2
Medical "	"	10,327-	8-1
Civil Fund, Charity Branch. "	"	8,269-	14-8
Military Male Orphan Asylum. "	"	3,567-	4-1
Military Female Asylum.....	"	2,376-	3-0.

dated 25th May 1860, communicated to you with the Order of the Madras Government in the Financial Department, No. 391, dated 9th instant, I have the honor to request that you will be good enough to pay into the General Treas-

ury the sum noted in the margin, opposite your Fund, being the amount of donation obtained by your Fund from 1st May 1833 to 30th April 1860, by means of the investment of a portion of its balances in Government Promissory Notes purchased at a discount.

*Proceedings of the Madras Government, Financial Department,
9th January 1861.*

2. Agreeably to paragraph 8 of the Despatch, and the Financial Resolution of the Government of India, No. 613, dated 27th January last, a copy of which accompanies, I have further to request that you will be good enough to surrender to me all Promissory Notes of the Government of India belonging to your Fund, for the purpose of being cancelled, and in order to the issue to you in lieu of non-transferable Treasury Notes bearing interest at 4 per cent. per annum, for the sum which the said Promissory Notes cost your Fund but not exceeding the value of the Notes at par in any case. It will be necessary therefore that you furnish me with a memo. of the Notes and the amounts, minus the interest, paid for each Note.

3. Of course you will understand that all future investments of balances of your Fund must be made in non-transferable Treasury Notes as aforesaid.

From C. H. LUSHINGTON, Esq., Secretary to the Government of India, Financial Department, to the Accountant General to the Government of Madras, dated Fort William, Council Chamber, the 3rd October 1860, No. 10,295.

Financial Department.

I am directed to acknowledge the receipt of your letter, No. 1,084, dated 4th ultimo, on the subject of the cancellation of the Government Promissory Notes, now in charge of the Sub-Treasurer, transferred to him by the Administrator General under Section 51 of Act VIII of 1855, as also of the Notes belonging to the several Service and Charitable Funds at Madras.

2. In reply, I am desired by the Governor General in Council to inform you, that the Promissory Notes transferred to the Sub-Treasurer by the Administrator General should not be cancelled. It was distinctly ruled on the 26th June 1857, (the order to which you refer in the 1st paragraph of your letter) that all Notes transferred to the Sub-Treasurer by the Administrator General should remain in his custody and be sold as opportunity offered. On a proposition by the Accountant General, Bombay, (made subsequently to the issue of the above order) for the cancellation of the Notes in the hands of the Sub-Treasurer, their custody entailing "considerable responsibility and useless labor," this Government on the 19th November 1858, saw "no sufficient reason for modifying the orders already passed regarding the custody and ultimate sale of the Notes." A copy of this resolution was at the time sent to you, and I am now desired to call your attention to it.

3. With respect to the Notes belonging to the Service and Charitable Funds, it was resolved in the Financial Resolution of the 27th January last, "that pending the orders of the Home Authorities on the general question, the investment applied for by the Trustees of the Civil Fund, be allowed on the understanding that the $5\frac{1}{2}$ per cent. Notes will be cancelled in the event of the ultimate decision being in favor of non-transferable Treasury Notes," and in so far as those particular Notes are concerned, there seems to His Excellency in Council to be no objection to the cancellation of them, with reference to the concluding paragraph of the Secretary of

* Civil Fund, Charity Branch, the Military Fund, Medical Fund, and Male and Female Orphan Asylums.

State's Financial Despatch, No. 80 of the 25th May last, in which, after ordering the accounts of the Funds noted in the margin,* to be re-adjusted, he observes, "the correct balances of the

Funds being ascertained, the amounts thereof on which additional donations are to be paid, to make up the interest to 8 per cent., must henceforth be invariably invested in non-transferable Treasury Notes."

4. This, however, does not appear to His Excellency in Council to call for the cancellation of all the Promissory Notes now belonging to the said Funds. It will first have to be ascertained what the correct balances are under the re-adjustment ordered; it will then be seen what amount has to be refunded to Government; and it will subsequently have to be determined how that refund shall be made, whether by a cash payment or a cancellation of Promissory Notes.

From F. LUSHINGTON, Esq., Acting Accountant General, to the Financial Secretary to the Government of India, Calcutta, dated 15th November 1860, No. 1,713.

With reference to paragraphs 3 and 4 of your letter, No. 10,295 dated 3rd ultimo, in which it is observed that the cancelment of all the Promissory Notes of the Government of India, be-

*Proceedings of the Madras Government, Financial Department,
9th January 1861.*

longing to the several Service Funds of this Presidency was not contemplated by Her Majesty's Secretary of State for India in his Despatch, No. 80 of the 25th May last, paragraph 7, I have the honor to submit the following explanation of the instructions issued by me to the Secretaries of the several Service and Charitable Funds of this Presidency in my Circular, No. 1,000 dated 28th August, and to solicit a reconsideration of the above opinion.

2. The Government of India in their Resolution, No. 613, dated 27th January last, observe: "It seems highly expedient in all these cases that the investments should be made in non-transferable Treasury Notes, but as it is questionable whether this can be insisted on without previous reference to Her Majesty's Government, His Honor in Council resolves that the whole of the papers shall be forwarded for consideration and orders to the Right Honorable the Secretary of State for India." It seems clear from this passage that the question referred to Her Majesty's Secretary of State for India for decision, is whether all the funded property of the Funds should not be invested in non-transferable Treasury Notes, and this view receives confirmation from the expressions employed in the following paragraph of the Resolution of the Government of India in question. Referring to the special request submitted on behalf of the Charity Branch of the Madras Civil Fund to be allowed to make an investment of a portion of their assets in the then open $5\frac{1}{2}$ per cent. loan, the Government of India ruled "that pending the Orders of the Home Authorities on the general question, the investment applied for by the Trustees of the Civil Fund be allowed on the understanding that the $5\frac{1}{2}$ per cent. Notes will be cancelled in the event of the ultimate decision being in favor of non-transferable Treasury Notes."

3. The decision of Her Majesty's Secretary of State for India conveyed in paragraph 7 of his Despatch, No. 80, dated 25th May last, evidently refers to the "general question" submitted to him. He rules, "the correct balances of the Funds being ascertained, the amounts thereof on which additional donations are to be paid, to make up the interest to 8 per cent. must henceforth be invariably invested in non-transferable Treasury Notes." And in his subsequent Despatch, No. 99, dated 22nd June last, paragraph 19, the Secretary of State for India remarks, you "will observe from my Despatch in this Department, dated 25th May last, No. 80, that Her Majesty's Government have decided that the balances of the Civil and other Funds are to be invested in non-transferable Treasury Notes." The balances of the Funds are classed under two heads: "The floating balance in deposit in the General Treasury" on which interest at 4 per cent. per annum is allowed, and an additional 4 per cent. as donation, and "the funded property" on which donation only is granted being the difference of interest realized on the bonds and 8 per cent. per annum. It can hardly be assumed that the balances of the Funds which are to be invested in non-transferable Treasury Notes refer exclusively to the floating balance in deposit in the General Treasury, especially when the balance is described by the Secretary of State for India to be that "on which additional donations are to be paid, to make up the interest to 8 per cent."

No. 20. ORDER THEREON, 9th January 1861, No. 15.

Resolved, that a copy of the Accountant General's letter and of the enclosures be furnished to the Secretary to the Military Female Orphan Asylum in reference to his letter of the 7th November last, No. 401, and that he be informed that Government will apply to the Secretary of State and solicit that, under the circumstances explained, the repayment by the Asylum of the amount gained by investments made at a discount may not be insisted on.

2. Ordered also that the last paragraph of Mr. Harrison's letter and the papers referred to in it be communicated to the several Funds which have been directed by the Accountant General to cancel their Promissory Notes, for their information.

(Signed) T. PYCROFT,
Chief Secretary.

Exd. F. Cartledge.

General Department.

N^o 1713.

Fort Saint George.
Accountants Office
15th November 1860.

From
The Acting Accountant General

To
The Financial Secretary
to the Government of India.
Calcutta.

Sir. With reference to paras 3 and 4 of your letter N^o 10290 dated 3rd Ultimo, in which it is observed that the cancellation of all the Promissory Notes of the Government of India belonging to the several Service Funds of this Presidency was not contemplated by Her Majesty's Secretary of State for India in his Despatch N^o 80 of the 25th May last, para 7, I have the honor to submit the following explanation of the instructions issued by me to the Secretaries of the several Service and Charitable Funds of this Presidency in my Circular N^o 1000 dated 28th August last, and to solicit a reconsideration of the above opinion.

2. The Government of India in their
Resolution

Resolution N^o 613 dated 27th January last
observes "It seems highly expedient in all these
cases that the investments should be made
" in non-transferable Treasury Notes, but as it
"is questionable whether this can be insisted on
" without previous reference to Her Majesty's
"Government, His Honor in Council resolves
"that the whole of the papers shall be for-
"warded for consideration and orders to the
"Right Honourable the Secretary of State for
"India". It seems clear from this passage
that the question referred to Her Majesty's
Secretary of State for India for decision, is
whether all the funded property of the funds
should not be invested in non-transferable
Treasury Notes, and this view receives con-
firmation from the expressions employed
in the following para of the Resolution of
the Government of India in question. Referring
to the Special request submitted on behalf
of the Charity Branch of the Madras Civil
Fund to be allowed to make an investment
of a portion of their assets in the then open
5 $\frac{1}{2}$ per cent loan, the Government of India
ruled "that pending the Orders of the Home
"Authorities on the general question, the in-
vestment applied for by the Trustees of the
"Civil Fund be allowed on the understanding
"that the 5 $\frac{1}{2}$ per cent Notes will be cancelled
in

"in the event of the ultimate decision being
"in favor of non-transferable Treasury Notes".
3. The decision of Her Majesty's Secretary
of State for India conveyed in para 7 of
his Despatch N^o 80 dated 25th May last, evidently
refers to the "general question" submitted to
him. He rules, "The correct balances of the
"Funds being ascertained, the amounts thereof
"on which additional donations are to be paid,
"to make up the interest to 8 per cent must
"henceforth be invariably invested in non-trans-
"ferable Treasury Notes". And in his subsequent
Despatch N^o 99 dated 22nd June last para 19,
the Secretary of State for India remarks
"you will observe from my Despatch in this
"Department dated 25th May last N^o 80, that
"Her Majesty's Government have decided
"that the balances of the Civil and other
"Funds are to be invested in non-transfer-
"able Treasury Notes". The balances of the
"Funds are classed under two heads, - "The
"floating balance in deposit in the General
"Treasury" on which interest at 4 per cent
per annum is allowed, and an additional
4 per cent as donation - and "the funded
property" on which donation only is granted
being the difference of interest realized on
the bonds and 8 per cent per annum. It
can hardly be assumed that the balances
of

of the funds which are to be invested in
non-transferable Treasury Notes refer
exclusively to the floating balance in
deposits in the General Treasury; Espe-
cially when the balance is described by
the Secretary of State for India to be that
"on which additional donations are to be
paid, to make up the interest to 8
per cent."

I have &c &c
Signed J. Lushington
Ag Account Genl

(True Copy)

Wm Murray
Ag 2d Asstt Acctt Genl

Chas. E. D. 22nd June
22.10.1861.

Comdr. W. H. D. 644
Capt. W. H. D. 644

No. 10,295

FROM C. H. LUSHINGTON, ESQUIRE,
SECRETARY TO THE GOVERNMENT OF INDIA,
FINANCIAL DEPARTMENT;
TO THE ACCOUNTANT GENERAL TO THE GOVERNMENT OF MADRAS.

Fort William, Council Chamber, the 3rd October, 1860.

Financial Department.

SIR,

I AM directed to acknowledge the receipt of your letter, No. 1084, dated 4th ultimo, on the subject of the cancellation of the Government Promissory Notes, now in charge of the Sub Treasurer, transferred to him by the Administrator General under Section 51 of Act VIII of 1855, as also of the Notes belonging to the several Service and Charitable Funds at Madras.

2. In reply, I am desired by the Governor General in Council to inform you, that the Promissory Notes transferred to the Sub Treasurer by the Administrator General should not be cancelled. It was distinctly ruled on the 26th June, 1857, (the order to which you refer in the 1st paragraph of your letter) that all Notes transferred to the Sub Treasurer by the Administrator General should remain in his custody and be sold as opportunity offered. On a proposition by the Accountant General, Bombay, (made subsequently to the issue of the above order) for the cancellation of the Notes in the hands of the Sub Treasurer, their custody entailing "considerable responsibility and useless labor," this Government on the 19th November, 1858, saw "no sufficient reason for modifying the orders already passed regarding the custody and ultimate sale of the Notes." A copy of this resolution was at the time sent to you, and I am now desired to call your attention to it.

3. With respect to the Notes belonging to the Service and Charitable Funds, it was resolved in the Financial Resolution of the 27th January last, "that pending the orders of the Home authorities on the general question, the investment applied for by the trustees of the Civil Fund, be allowed on the understanding that the 5½ per cent. Notes will be cancelled in the event of the ultimate decision being in favor of non-transferable Treasury Notes," and in so far as those particular Notes are concerned, there seems to His Excellency in Council to be no

28/10

26

objection to the cancellation of them, with reference to the concluding paragraph of the Secretary of State's Financial despatch, No. 80 of the 25th May last, in which, after ordering the accounts of the Funds noted in the margin,* to be re-adjusted, he observes, "the correct balances of the Funds being ascertained, the amounts thereof on which additional donations are to be paid, to make up the interest to 8 per cent., must henceforth be invariably invested in non-transferable Treasury Notes."

4. This, however, does not appear to His Excellency in Council to call for the cancellation of all the Promissory Notes now belonging to the said Funds. It will first have to be ascertained what the correct balances are under the re-adjustment ordered; it will then be seen what amount has to be refunded to Government; and it will subsequently have to be determined how that refund shall be made, whether by a cash payment or a cancellation of Promissory Notes.

I have the honor to be,

SIR,

Your most obedient servant,

Secretary to the Government of India.

[Exd. J. P. Linton.]

CIRCULAR.

GENERAL DEPARTMENT.

No. 1000.

Fort St. George,
Accountant General's Office,
28th August 1860.

From F. LUSHINGTON Esq. Acting Accountant General.

To The SECRETARIES to the MADRAS CIVIL FUND CHARITY BRANCH, MILITARY and MEDICAL FUNDS, and the MILITARY MALE and FEMALE ORPHAN ASYLUMS.

Sir,

Under orders from Her Majesty's Secretary of State for India, contained in his Financial Despatch to the Government of India No. 80, dated 25th May 1860, communicated to you with the Order of the Madras Government in the Financial Department No. 391, dated 9th instant, I have the honor to request that you will be good enough to pay into the General Treasury the sum noted in the margin opposite your Fund, being the amount of donation obtained by your Fund from 1st May 1833 to 30th April 1860, by means of the investment of a portion of its balances in Government Promissory Notes purchased at a discount.

2. Agreeably to para 8 of the Despatch, and the Financial Resolution of the Government of India No. 613, dated 27th January last, a copy of which accompanies, I have further to request that you will be good enough to surrender to me all Promissory Notes of the Government of India belonging to your Fund, for the purpose of being cancelled, and in order to the issue to you in lieu of Non-transferable Treasury Notes bearing interest at 4 per cent per annum, for the sum which the said Promissory Notes cost your Fund but not exceeding the value of the notes at par in any case. It will be necessary therefore that you furnish me with a memo of the notes and the amounts, minus the interest, paid for each note.

3. Of course you will understand that all future investments of balances of your fund must be made in Non-transferable Treasury Notes as aforesaid.

I have the honor to be,

Sir,

Your obedient servant,

Acting Accountant General.

To The

858

Military Fund	Rs. 73,365	3	2
Medical do.	10,327	8	1
Civil Fund Charity Branch..	8,269	14	8
Military Male Orphan Asylum	3,567	4	1
Military Female do.	2,376	3	0

I have the honor to request that you will be good enough to pay into the General Treasury the sum noted in the margin opposite your Fund, being the amount of donation obtained by your Fund from 1st May 1833 to 30th April 1860, by means of the investment of a portion of its balances in Government Promissory Notes purchased at a discount.

2. Agreeably to para 8 of the Despatch, and the Financial Resolution of the Government of India No. 613, dated 27th January last, a copy of which accompanies, I have further to request that you will be good enough to surrender to me all Promissory Notes of the Government of India belonging to your Fund, for the purpose of being cancelled, and in order to the issue to you in lieu of Non-transferable Treasury Notes bearing interest at 4 per cent per annum, for the sum which the said Promissory Notes cost your Fund but not exceeding the value of the notes at par in any case. It will be necessary therefore that you furnish me with a memo of the notes and the amounts, minus the interest, paid for each note.

3. Of course you will understand that all future investments of balances of your fund must be made in Non-transferable Treasury Notes as aforesaid.

I have the honor to be,

Sir,

Your obedient servant,

Acting Accountant General.

To The

Extract from the Proceedings of the Government of India in the Financial Department under date the 27th January 1860.

Read the undermentioned papers, regarding the mode in which the Assests of the various Service and Charitable Funds in the several Presidencies, are invested.

Telegram from the Accountant General Madras dated the 7th March 1859, No. 89.

Ditto from the Financial Secretary in reply dated the 10th March 1859, No. 1620.

Ditto from Accountant General Madras in reply dated the 2nd April 1859, No. 233.

Ditto from the Financial Secretary dated the 6th April 1859, No. 2579.

Letter from do. do. dated the 7th do. No. 2632.

Ditto from the Accountant General Madras dated 9th April 1859, No. 1277.

Telegram in reply No. 13 dated 10th May.

Financial Resolution No. 3870 dated the 13th May 1859.

Telegram from the Accountant General Madras dated the 17th idem No. 53.

Telegram from the Financial Secretary to the Government of India No. 39, dated the 31st idem.

Letter from do. do. No. 4388 dated the 31st May 1859.

Letter from the Secretary to the Bengal Civil Fund dated the 18th idem.

Extract Military Department No. 818 dated the 17th June 1859.

Do. do. No. 67 dated the 4th July 1859.

Letter from Acting Secretary to Government of Bombay No. 781 dated 15th idem.

Ditto from the Accountant General to the Government of India No. 1888 dated 12th November 1859.

Ditto from Accountant General Madras No. 876, dated the 12th December 1859, with its enclosures.

Ditto from the Chief Secretary to the Government of Fort Saint George No. 697, dated the 24th December 1859.

Letter from do. do. dated the 9th January 1860, No. 10, with its annexures.

1. On the 7th March 1859, the Accountant General at Madras inquired whether the *Civil Fund Charity Branch* could avail themselves of Notification of the 27th July 1857, for converting some of their 4 per cent Capital in the open 5 per cent Loan; the intention being to convert some of their 4 per cent Papers into Fives by transfer of an equal amount in Cash.

2. He was told in reply that Orders could not be passed until full particulars of the case were furnished.

3. The Accountant General then explained. "The greater portion of the 4 per cent Paper was obtained by purchase and the rest by transfer of the Promissory Notes of 5 per cent Loan into 4 per cent Loan. The purchase was made previous to your instructions but no purchase was to be permitted, the surplus capital is in the General Treasury and Interest at 5 per cent per Annum is afforded by Government on the remaining Accounts, a donation equal to the difference between the above rates and 8 per cent formerly allowed to Charitable Funds is granted in addition at the term of that? "the year".

4. The Accountant General was informed in reply that the proposed measure could not be sanctioned. At the same time he was desired to furnish full explanation as to the real bearing of the case, together with complete figured Statements shewing the Number and amount of Government Promissory Notes held by the Fund, the rates at which they were purchased, the amount of donation paid upon them, and other particulars respecting the disposition of the present balance of the Fund.

5. The Accountant General was directed further to call upon the Directors of the Fund to shew cause why all the Government Promissory Notes held by the Charity Branch of the said Promissory Notes cost the Fund, not exceeding par value in any case, should not be granted instead.

6. Adverting to the refusal of this Government to sanction the measure proposed by him on the 7th March 1859, the Accountant General submitted an explanation of the proposition in the hope that the Government of India would take a different view of the subject after considering his explanation, but he was informed in reply that this Government awaited the further information which he had since been called upon to furnish.

7. On the 13th of May 1859, this Government, after recapitulating the measures which had been taken in connection with the Madras Military Fund since July 1832, passed the following Resolution.—"The Governor General in Council observes, from what has been stated by the Accountant General to the Government of Madras, that there is a great probability not only that the Military Fund, but that the Civil Fund, Medical Fund, and possibly some other Funds at all the Presidencies, have, by investment of their Assets in Government Securities, purchased at a discount, been placed in receipt of a larger amount of donation from Government, than they are strictly entitled to, and that the amount of such overpayments cannot be ascertained without careful inquiry in the Offices of the Accountants at the several Presidencies, and in the Offices of the several Funds, His Lordship in Council accordingly desires that such an inquiry be instituted."

8. "His Lordship in Council further observes that in regard to the Civil Fund at Madras, this error by which Government suffers a loss, has actually been committed; and that there is no certainty to what extent the error may have prevailed."

9. On the 17th May 1859, the Accountant General at Madras intimated that the Directors of the Military Fund wished to subscribe Rupees Ten lacs at the Fund's Credit in the Treasury to the open Loan, and inquired whether he should permit it, adding that it had been allowed on a former occasion, viz. in August 1848.

10. He was told in reply that, pending the inquiries ordered in the Resolution of the 13th of May 1859, the proposal of the Military Fund could not be sanctioned.

11. On the 18th May 1859, the Managers and Trustees of the Bengal Civil Fund reported that no part of the Capital of the Fund on which the additional interest is allowed by Government by way of donation, has at any time been invested in any other form than that of Non-transferable Treasury Notes.

12. On the 17th June, the Managers of the Bengal Medical Fund reported that no part of the Assets of the Fund is, or has ever been, invested in Government Securities.

13. On the same date, the Directors of the Bengal Military Fund reported that this Fund does not now hold, and never appears to have possessed, any Government Securities bought at discount, and that the whole of its invested Assets consist in Non-transferable Treasury Notes—bearing interest at 4 per Cent per annum, and on which donation, interest at the same rate, is obtained.

14. On the 15th July, the Government of Bombay stated that no transactions of the nature alluded to have been carried on by the Bombay Medical Retiring Fund, and that no money belonging to the Military Fund has ever been invested in the Government Loans—adding that in no case in the Bombay Presidency has the Capital of a Fund been increased at the expense of Government.

15. On the 12th November, the Accountant General to the Government of India reported that, with exception of the "additional" Assets of the Civil Fund and a sum belonging to the Military Orphan Fund, no portion of the Capital of any of the Funds named in the margin, has been or is now so invested.

16. The ordinary Assets of the "Civil Fund", he explained, are invested in Treasury Notes bearing interest at 4 per Cent with 4 per Cent more as a donation—on the "additional" Funds of this institution no higher interest than 4 per Cent is allowed whilst they are in the public Treasuries, the bulk of the Capital is invested in Government Securities purchased at the Market rates.

17. With regard to the Military Orphan Fund he explained "the Assets of the Military Orphan Fund are now entirely invested in 4 per Cent Treasury Notes on which a donation at the same rate is allowed in addition—I have to state however that on various dates between March 1850 and March 1851—the Funds of this institution were applied to the purchase of Government Promissory Notes amounting altogether to Rupees 11,65,226-10-8 at various rates of discount ranging from 14/2 to 19/8 per Cent—These Securities were disposed of between February 1853 and April 1854, with a gain to the Fund of Rupees 1,94,418-7-11, pursuant to orders received from the Honorable the Court of Directors dated 3rd November 1852, No. 54, and the proceeds were reinvested in Treasury Notes".

18. "The Government Donation, calculated at 3 per cent, was, I observe, allowed on the amount of the Securities and not that of Capital invested, but in a letter addressed by your Office to the Sub Treasurer dated 9th September 1851, No. 1410, it was intimated that the Government did not desire to disturb the payments made to the Fund before receipt of the Honorable Court's orders of 3rd November 1852".

19. On the 12th December 1859, the Accountant General at Madras submitted copies of detailed Statements received by him from the several Officers who have the management of the Service and Charitable Funds at Madras, to which a donation, equal to the difference of interest between the rates realized on their Bonded property and of the fixed rate of 8 per Cent, is allowed by the rules

under which this privilege was originally granted, and also a memo shewing the increase of Capital obtained by investment of assets at discount, and the consequent increase thereby of donation paid

Funds.	1 Amount of in- crease of Capital.	2 When the invest- ments were made.	3 Proper inter- est at 4 per Cent up to 30th April 1859.	4 Difference of Interest to make 8 per Cent including Compound Interest up to 30th April 1859.	5 Total of Co- lums 1 and 4 now unduly receiving do- nation.
Civil Fund Charity Branch.	26,479	In 1855.....	4,266½	5,353½	31,832½
Military Fund.....	19,003	1800 to 1841 from } 1st May 1833..... }	16,127½	66,031½	85,034½
Medical Fund.....	1,743	1815 to 1818 from } 1st May 1833..... }	1,818	9,363	11,111
Military Orphan Female } Asylum..... }	3,954	1799 to 1848 from } 1st May 1833..... }	2,218	2,218	6,172
Military Orphan Male } Asylum..... }	7,782	1837 to 1851 from } 1st May 1833..... }	3,256	3,256	11,038
	58,966		27,605½	86,222½	1,45,188½

annually to each Institution, as well as the total amount of such over-payments up to 30th April 1859, an Abstract of which is shewn in the margin.

20. The Secretary to the Civil Service Fund, Charity Branch, in submitting his statement, represents that the Records of his Office previous to the year 1823, are so imperfect, that he cannot trace the origin of the 5 Promissory Notes, ½ths of the amount of which appear to have been consolidated into the note first described in his statement, and that to avoid delay he began that statement with the year 1823—The purchase of Promissory Notes at a discount appears to have been made only in the year 1855 and these notes constitute but a very small portion of the Capital of this Fund—In para 4 ad finem of his letter, the Secretary submits reasons why the Promissory Notes of the Fund should not be cancelled and converted into Non-transferable Treasury Notes; and asserts the claim of the Directors to invest in any open Loan: he states—"If the purchase of Bonds in the market was on one or two occasions effected at a discount, and the Capital of the Fund thereby augmented, it was so augmented, not for any speculative purpose, but as a permanent investment. The then Trustees saw nothing in the measure opposed to the understood views of the late Honorable Court, inasmuch as the design with which they gave a donation to the Fund was to increase the Capital and to assist in rendering it self—lasting—The Trustees once made aware of the sentiments of the Supreme Government on the subject have not made any further investment of the kind."

21. "The Trustees however demur to the proposition of the Supreme Government which would exchange their Capital into 4 per cent Non-transferable Promissory Notes. The Capital is not the Property of the Trustees but of the whole service and it cannot be changed in its nature in this manner. All the calculations upon which the interest and the working of the Fund are guarded and conducted, are based upon the known Capital as it stands; and the Trustees very respectfully beg to state that as the Supreme Government have not acceded to their original request and the 5 per Cent Loan is now closed, they consider their proposal dropped."

22. "At the same time the Trustees claim, as the Military Fund have claimed and had their claim allowed, the right of investing the surplus Cash of the Fund, if they should think fit, in the present or in any open Loan. By such investment no increase whatever will accrue either to the donation or the Capital of the Fund."

23. The Secretary to the Military Fund, forwards two Statements shewing the Promissory Notes purchased at Premium and at Discount; deducting the premium from the discount, the net amount exhibits the increased capital at Rupees 19,003-1-4, which also forms but an insignificant portion of the large capital of the Fund. The purchases by this Fund are shewn in the Statement to have commenced in 1808, and continued up to 1841, from which time the practice of investing by purchase appears to have ceased, and that of subscription to the open Loan adopted.

24. The Secretary to the Military Female Orphan Asylum, states that, in consequence of the Cash Books not having been kept in that Institution, from the period of its establishment in 1787 up to the end of 1792, he is unable to give information regarding investments during that period, but he furnishes two Statements shewing the transactions by purchase of Bonds at a premium and by sale at a discount: deducting the loss from the gain, the Capital appears to have been augmented by Rupees 2,548-11-1.

25. The Statement forwarded by the Secretary to the Military Male Orphan Asylum, shews a net increase to the Capital of Rupees 7,630-0-9.

26. The Visiting Members of the Monegar Choultry, the Accountant General at Madras observes, state that the Bonded Property at that Institution amount to Rupees 9,000 bearing 4 per Cent interest per annum, and that the Promissory Notes were presented in 1848 to the Institution by one Paulium Arnachellum Chettiar.

27. On the 24th December 1859, the Government of Madras stated, "The Government learn from the Accountant General that he has submitted a report on this subject. It is probable therefore under these circumstances that no further communication is expected from this Government."

28. On the 9th instant, the Government forwarded a copy of a correspondence between the Trustees of the Civil Fund and the Accountant General there, regarding the investment of 9,50,000 Rupees, the property of the Civil and Subsidiary Funds in the open 5½ per cent Loan, from which correspondence it appears that the Accountant General objects to the investment, with reference to the previous correspondence on the general question, and that the Trustees press their right to invest their surplus capital in open Loans at par.

29. "This right", the Government of Madras observe, "has already been admitted in the case of the Military Fund" and "should similarly be recognized in the case of the Civil Fund."

30. With reference to the result of the inquiries ordered in the Resolution of the TION. 13th May 1859, the Honorable the President in Council observes that the only Funds regarding which orders appear to be necessary are, the "Military," the "Civil Service Fund, Charity Branch," and the Funds of the Male and Female Asylums at Madras.

31. It seems highly expedient in all these cases that the investments should be made in Non-transferable Treasury Notes: but as it is questionable whether this can be insisted on without previous reference to Her Majesty's Government, His Honor in Council resolves that the whole of the papers shall be forwarded for consideration and orders to the Right Honorable the Secretary of State for India.

32. With reference to the communication of the Government of Madras dated the 9th Instant, His Honor in Council remarks that the correspondence submitted by that Government has already been brought to the notice of this Government in the 2nd para: of the report of the Accountant General at Madras dated 12th December 1859, and he resolves that pending the orders of the Home Authorities on the general question, the investment applied for by the Trustees of the Civil Fund be allowed on the understanding that the 5½ per cent Notes will be cancelled in the event of the ultimate decision being in favor of Non-transferable Treasury Notes.

ORDER. 33. Ordered, that a copy of the above Resolution be forwarded to the Government of Madras for information.

No. 614. 34. Ordered also, that a copy of the Resolution be forwarded to the Accountant General at Madras, for information and guidance.

(A true Extract.)

(Signed) C. Hugh LUSHINGTON,

Secy. to the Govt. of India.

(True Copy.)

Actg. 2nd Asst. Accountant General.

Genl Dept.

No. 858 from Govt. 1860/61.
" 2991 from Govt.
of India 1859/60.

Copy to the sub Treasurers,
Directors of the Monies
Dept. - for information &
guidance.

Communicated to
you with the order of
the Madras Govt in the
Genl. Dept. No 391,
dated 9th Sept inst,

Cum gratia 73365-3-2
Mily. Fund No. 66,031-8-10
Medical " 9,363-1-7
Civil & Charity 8,269-16-8
Branch 5,353-11-7
Mily. Male 3,567-4-1
Mily. Female 3,255-15-3
Mily. Female 2,218-11-9

28 August 1860
Dated 31st 50
No. 1000 m

Circular.

To The Secretaries to the
Madras Civil Fund, Charity
Branch, & Military &
Medical Funds & the
Mily. Male & Female
Orphan Asylums.

Sir, Under orders from
Her Majesty's Secretary
of State for India, con-
tained in his ^{financial} Despatch
to the Govt of India
No. 80 dated 25th May
1860, I have the honor

to request that you
will be good enough
to pay into the General
Treasury the amount sum-
med up opposite your names
in the margin, being

the amount of donation
obtained by your Fund
from 1st May 1833 to 30th
April 1859 by means of
the investment of a portion
of its balances in Govt
Promissory Notes purchased
at a discount.

2. Agreeably to para 8 & the Final Resolution
of the Despatch, I have of the Govt. of India 10613
dated 27th Jan^y last, a
further to request that copy of which accompany
you will be good enough
to surrender all Promissory
Notes of the Govt of India
belonging to your Fund
for the purpose of being
cancelled & the issue to
you instead of non-trans-
ferable Treasury Notes
bearing interest at
4 per cent per annum,
for the sum which the
said Promissory Notes
cost your Fund but not
exceeding ^{the} par value of the notes at par.

Wm. Lyons.
22nd Aug 1860.

in any case. It will
be necessary ^{to keep} that you
should furnish me
with a memo of the
notes & the amounts,
minus the interest,
paid for each note.
3. ^{of course you will understand that} all future investments
of balances of your fund
must be made in non-
transferable Treasury
Notes as aforesaid.

Wm.
22nd / 8

Ch

Wm.
24 / 8

Wm.
24 / 8

Wm.
24 / 8

21

№ 306

Si

See

Chas. D. Butler Esq
Dec 1 of 1867.

about 2 1/2 from New York.
 dated 21 Sept/66. No 1738

N^o 1000

The weavers to the

Charles Mackintosh

Ady fund.

Patrick } 28. May 1768
 & wife } 31. —————

made
 the first trial of the steam motor in
 a British machine on a rail line
 the 2nd being the first of construction
 obtained in this kind from America
 on the 30th April 1825 by means
 of a locomotive of a horse power of 4
 horses in the London & Birmingham
 railway at a distance of 1 1/2
 miles of the road from London to Birmingham

2. In reply I beg to state that the amount of excess donation obtained from Government by the Military Female Orphan Asylum in consequence of the investment of portions of their balances in Government Promissory Notes purchased at a discount - viz: Rupees 2,376-3-4 up to 30th April 1860, was ordered by the Right Honorable the Secretary of State for India to be recovered from the Asylum, in his Despatch to the Government of India N^o 80 dated 25th May 1860, para 5 G. O. Financial Department N^o 391 dated 9th August 1860, and I would therefore respectfully suggest that a reference be made to the Home Authorities if the Government are of opinion that the claim of Government against the Female Orphan Asylum should be relinquished.

3. With reference to the surrender to this Office, for cancellation, of the Promissory Notes of the Asylum, directed in para 2 of the Acting Accountant General's Circular

*forwarded in original, to be returned -

Circular N^o 1000 dated 28th August last I have to observe that the Government of India, to whom a copy of that Circular was forwarded, pointed out to Mr. Lushington in the letter to him from their Financial Secretary N^o 10295 dated 3^d October last, paras 3 & 4, that it was not intended that all the Promissory Notes now belonging to the several Service and Charitable Funds should be cancelled, and Mr. Lushington in his letter to the Financial Secretary to the Government of India 1713 dated 15th ultimo, submitted an explanation of the grounds on which his instructions to the Secretaries to the charitable and service Funds of this Presidency were based, and solicited of the Government of India a re-consideration of their opinion on the point. Pending further orders from the Government of India therefore, the question regarding the surrender and cancellation of all the Promissory Notes belonging to the Military Female Orphan

*forwarded in original, to be returned.

*a copy is forwarded

Orphan Asylum, and also the Male Orphan
Asylum and Service Funds ~~will~~ not be insisted
on.

I have the honor to be
Sir

Your obedient servant.

W. W. W. W.
Account General

Comptroller

Cop. of the Charter

Read the following letter
from the Acct^t. General.

Order thereon. 9 January 1861. No. 15.

27th Dec to 29th Jan 1857.
 2nd 1 of 1857.
 Replies to 8th May
 27th 30 of 1857.

Miss Jane Denning to
Jas. M. Denning

Regarding our letter from the
Society of the Holy Church is often
written in relation to the changes
of the Statute of that institution
with some transformation of
great importance, the
said Statute that the signers
will suffer if required to
renewed. At 2346-3-4 being
the date of donation given
by the founders of Holy Church
as a document.

19
C24 Dec 22
A 3 1/2 amp / 81

gained by investments made at a discount may not be insisted on.

2 Ordered also that the last para of Mr. Harrison's letter & the papers referred to in it be communicated to the several Funds which have been directed by the Accountant General to cancel their Promissory Notes - for their information.

J.P.

to the funds

*1861
para 2 of Order
para 3 of Acct General's letter & the papers therein referred to*

To the Secretary to the

- "Military Female Orphan Asylum
- "do Male do
- "Military Fund.
- "Medical "
- "Civil " Charity Branch

with Acct Gen's letter and enclosures.

para 2 of Order with para 3 of Acct General's letter & the papers therein referred to.

dupd 17

Copy to Acct General - with Pas: 20 April 1861.

Office of the Secretary
Jan 29. 1861

Office of the Secretary
Jan 29. 1861

Financial 1861. Defaut

1/2/5

Proceedings of York

9 January 1861

7/10 230-41/5
1023

Respecting the Com-
mission of the Province
Sergeants belonging
to the several services
and charitable funds
etc.