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MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 439 Press / Mis.

30-31.

Dated 8-9- 1871.

30-31 5/5

Not to be folded or roughly handled

No. 30. Read the following letter from the Chairman of the Chamber of Commerce, to the Chief Secretary to Government, Fort St. George, dated Madras, 23rd August 1871 :—

I have had the honour of laying before the Chamber the Proceedings of Government of 15th ultimo, inviting an expression of the Chamber's opinion on the proposal of the Government of India to abolish the final assay of bullion in Madras, which is referred to in their letter to you of the 21st June.

2. So recently as the 23rd November last the Chamber, with reference to the Government of India's letter of the 14th October, expressed, in a letter to you, their concurrence in the proposition of the Supreme Government to abolish the Bullion Depôt in this Presidency, on the guarantees that the Currency Department should always buy silver bullion at the prescribed rate of 979 Rupees per 1,000 tolas, and that the service of a competent assayer should always be at the disposal of the Local Government. It is now observed that the Supreme Government, having, on the 31st January last, sanctioned the abolition of the local depôt, are now desirous of requiring Madras to cease to be a port for the receipt of bullion. As a modification of this proposal, it is suggested that bullion should be accepted by the local Currency Department, and the price to be fixed at the rate stated by the Currency Act, less ten per cent. to be retained, pending receipt of the assay report from the Mints of Bombay or Calcutta. Further, that no foreign coin could be received.

3. The Chamber have referred to this Government's Notification, respecting the receipt and purchase of bullion, of the 30th May last. They entirely approve of the arrangements therein laid down, and cordially concur in the suggestion contained in the Government's Order of the 15th July, that the system there sketched may be allowed a year's trial.

4. It appears to the Chamber that the opinion of the Government of India has been considerably influenced by the assumption of the Assay Master of Calcutta that the Chemical Examiner to the Madras Government is not a qualified assayer, and by the argument that the Currency Department would, owing to the ignorance of the Examiner, have to run the risk of holding, in its reserve, bullion whose actual value might be problematical. The Chamber have no knowledge of what qualifications as an assayer the Chemical Examiner is in a position to claim, but they cannot refrain from expressing their surprise at the Assay Master in Calcutta making a statement as to a matter of fact which is discredited by this Government's belief that their Chemical Examiner holds a certificate of qualification as an assayer, besides being assisted by the establishment of the late Assay Department, which includes all the trained agency he needs in conducting the assay. The Chamber consider that, until the alleged incompetency of the local Assay Office has been established, it would be premature to act upon the surmise of the Assay Master in Calcutta.

5. The Government of India may also have been inclined to approve of the Assay Master's proposal by their knowledge that, in 1870-71, the imports of bullion in this Presidency were but 82½ lakhs of Rupees, and the exports 172 lakhs. But 1870-71, consequent on the war in Europe, was an abnormally dull year commercially, and the import of bullion was abnormally low. So far back as 1855-56, it was 143¾ lakhs, in 1860-61 it had risen to 207¼ lakhs, in 1863-64 to 360¾ lakhs, in

1865-66 to 366½ lakhs, and then it declined to 225½ lakhs in 1868-69, and 176½ lakhs in 1869-70, the exports of bullion in the last two years being only 36¾ and 62¼ lakhs, respectively. These figures, the Chamber contend, serve to show that very great inconvenience to trade will be caused by Madras ceasing to be a port for the receipt of bullion. It is not just to estimate the profit and loss of a commercial transaction, such as the assay and purchase of bullion, by the operations of an exceptionally dull year. Before depriving so considerable a port as Madras of any of tkose facilities which were granted when the trade of this and subordinate ports was much less than at present, the Supreme Government will, the Chamber trust, be placed in possession of all facts bearing on the comparative advantage to the State and disadvantage to merchants of the proposed economy.

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No. 31. ORDER THEREON, 8th September 1871, No. 439.

Recorded with reference to letter from the Government of India, dated the 15th August 1871, No. 2807, communicated to the Chamber of Commerce with G. O., dated the 31st August 1871, No. 410.

(True Extract.)

R. S. ELLIS,
Chief Secretary.

Exd. J. Wright.

1871

Financial Department

From The Chamber of Commerce Madras

Dated 25th August 71.
Rec'd. 26th

No. 448.

Submitting the opinion of the Chamber on the proposal of the Govt of India to abolish the final assay of bullion in Madras.

Govt. Order No. 439 dated 8th Sept. 1871.

Recorded with reference to letter from the Government of India of the 15th August 71. No. 2807, communicated to the Chamber of Commerce with G. O. of the 21st August 71 No. 410.

c. 5-9.

Govt. Order No. 439 dated 8th Sept. 1871.

Recorded with reference to letter from the Government of India of the 15th August 71. No. 2807, communicated to the Chamber of Commerce with G. O. of the 21st August 71 No. 410.

C

Govt. of {1871} Madras.

FINANCIAL.

Dated September, 8th.

Recd. *Encl.*

G. O., 8th September 1871, *No.* 439.

SEPTEMBER.
Nos. 30-31.

Recording letter from Chamber of Commerce, expressing their opinion on the proposal of the Government of India to abolish the final assay of bullion in Madras.

Govt. of {1871} Madras.

Financial

Dated Sept. 8.
Recd. Encl.

G. O. 8 Sept. , 1871, No 439.

Nos. 30-31.

Recording letter from Chamber of Commerce expressing their opinion on the proposal of the Govt. of India to abolish the final assay of bullion in Madras.