Financial (1896) Department.

ORDINARY MS.

G.O., No. 116 - 117

Dated 6- 2- 97

INDEXED.

5/6

[Despatch Abstract.]

Directing the transmission to the Govt. of India of a letter from the Madras Chamber of Commerce re. the terms of the Provincial contract

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.
~~G.O.~~ Govt 621/97	190 1-2-97						

Financial (1897) Department.

CURRENT No. 337

N 6 Mr Swinton.
N. M.
misc

Order

No 116 d/ 6th Feb 1897 From G. G Arbuthnot Esq. Chairman, Chamber of Commerce.

The letter will be forwarded to the Govt of India.

No.

Dated 2nd Feb 97

Received 2-2-97

Registered 4-2-97

Enclosures 1

Spare copies. 2 sp. copies of encl.

MK 4/2/97

HD 4/2/97

To the Chairman Ch-ghm (q)

HD 4/2/97

Letter No. 117 d/ 6th Feb 1897

To the Secy to the Govt of India. Fin & Com. dept.

SUBJECT.

Regretting that the Provincial Contracts enclosed letter, may be forwarded to the Govt. of India at the earliest possible date.

I am directed to forward the accompanying letter from the Chairman, Chamber of Commerce Madras, regarding the terms of the Provincial Contract.

HD 4/2/97

MK 4/2/97

HD

4/2/97

BACK PAPERS.

G.O.	No.	Department.	Date.
44:	19-1-97		
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904/5	29-12-96		

FURTHER PAPERS.

G.O.	No.	Department.	Date.

GOVERNMENT OF INDIA
2-FEB 1897

The Chamber of Commerce.

MADRAS, 2*nd February*, 1897.

FROM

G. G. ARBUTHNOT, ESQ.,
CHAIRMAN, CHAMBER OF COMMERCE,
MADRAS.

To

THE SECRETARY TO THE GOVT. OF INDIA,
FINANCE DEPARTMENT,
CALCUTTA.

SIR,

I have the honour to confirm my telegram of the 28th ultimo, as follows :—

"From Order Madras Government, No. 46, Financial, dated 19th instant, reviewing Madras Civil Budget Estimates 1897-98, Chamber learns with deep concern that large reductions Public Works expenditure Madras been necessitated by great curtailment proposed by Government India in the adjusting contribution from Imperial revenues from Rs. 32·54 lakhs in present quinquennium to Rs. 8·43 lakhs in next Provincial Contract period. Chamber respectfully begs protest emphatically against proposal as being grave injustice this Presidency, which has for long paid more than its fair share towards Imperial revenues and which more subject to famine than other Presidencies. The diminution of Imperial contribution to extent upwards Rs. 24 lakhs per annum next five years will have disastrous effect on Madras Budget, necessitating very great restriction expenditure on Irrigation and other Public Works of prime importance. Under conditions new Provincial Contract, transactions Madras 1897-98 expected result deficit Rs. 19·33 lakhs, closing balance being brought down to Rs. 3·92 lakhs against prescribed minimum balance Rs. 20 lakhs. No reason been assigned for immense reduction contemplated, but Chamber supposes it due to increased expenditure necessitated account famine. If so, Chamber contends that most inequitable that increased contribution from Madras to Imperial revenues should be fixed so long period as five years, and that only special contributions are justified, as in the past. Chamber also respectfully protests against public being left absolutely in dark regarding this most important transaction until such late date, whereby effective criticism rendered almost impossible. Chamber addressing Government India on subject through Madras Government."

The Chamber is acutely conscious of the difficult position in which it is placed in having to deal with the question of the new Provincial Contract with the imperfect information which has—very late in the day—been supplied to it, and to the general public through the Press; but it was, in the Chamber's opinion, imperatively necessary for it to take immediate action, as it is understood that the terms of the new Provincial Contract will be finally settled at a very early date.

The Chamber assumes that in proposing to make so drastic an inroad on Madras Revenues as is involved in the reduction of the adjusting assignment from Imperial Revenues from Rs. 32 lakhs to Rs. 8 lakhs for the quinquennial period, the Supreme Government must have been mainly, if not entirely, influenced by the exigencies of famine requirements. It is of course impossible to estimate at present even approximately what the cost of the famine will be; but taking it at the large figure of Rs. 8 crores, the proposed contribution from Madras would cover the interest on the whole famine expenditure.

Although the famine and consequent distress are likely to be less severe in this Presidency than in other parts of India, still, in various parts of the Madras Presidency the outlook is very gloomy, and there can be little doubt that Madras Revenue collections during the next year or two must suffer severely.

I have also to point out that, as mentioned in my telegram, many parts of this Presidency are peculiarly subject to famine, and in this connection I have to submit that a reduction of about Rs. 16 lakhs in annual expenditure on Irrigation and other works of public utility such as is involved in the proposals under consideration, cannot but be disastrous in the extreme to the well-being of Madras. I would venture to repeat that in the opinion of the Chamber any contribution from Provincial Revenues to Imperial Famine requirements should be special, and not fixed so as to extend over the whole quinquennial period of the new Contract.

In view of the exceptional circumstances of the year, it seems to the Chamber most desirable that the ratification of the new contract should be postponed until such time as the Local Governments are in a position to carry out their financial arrangements—which at present they are not, owing to the heavy demands upon their resources for famine purposes—and that while Imperial needs are a first claim upon all Public Revenues, the Government of India should avail itself of its borrowing powers to meet exceptional expenditure such as that on famine.

The Chamber is well aware that it is the wish and intention of the Supreme Government to hold the scales of justice evenly balanced as between all parts of India. But it is confident that it has the support not only of the Mercantile Community, which it specially represents, but of all classes throughout the Madras Presidency in strenuously urging the undue hardship which will be inflicted on this Presidency if the adjusting assignment from Imperial Revenues is reduced to anything like the extent now proposed. I have the honour, therefore, to express the Chamber's earnest hope that the question of the assignment will be reconsidered and adjusted on terms less onerous and injurious to the vital interests of this Presidency.

I have the honour to be,

Sir,

Your most Obedient Servant,

(Signed) GEORGE G. ARBUTHNOT,

Chairman.

*CHIEF SEC... GOVERNMENT OF MADRAS
2-FEB. 1897

The Chamber of Commerce,

MADRAS, *2nd February*, 1897.

FROM

G. G. ARBUTHNOT, ESQ.,

CHAIRMAN, CHAMBER OF COMMERCE,

MADRAS.

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The Chamber is acutely conscious of the difficult position in which it is placed in having to deal with the question of the new Provincial Contract with the imperfect information which has—very late in the day—been supplied to it, and to the general public through the Press; but it was, in the Chamber's opinion, imperatively necessary for it to take immediate action, as it is understood that the terms of the new Provincial Contract will be finally settled at a very early date.

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Your most Obedient Servant,

(Signed) GEORGE G. ARBUTHNOT,

Chairman.

The Madras Chamber of Commerce,

Madras, 2nd February 1897.

From

George G. Arbuthnot Esq.
CHAIRMAN, CHAMBER OF COMMERCE,
MADRAS.

CHIEF SECRETARIAT
2-FEB. 1897
GOVERNMENT OF MADRAS

To

The Chief Secretary to Government
Financial Department
Fort St. George.

Sir,

I have the honour to request that you will be good enough to forward the enclosed letter to the Government of India at the earliest possible date, and I have to express the hope that, in protesting against the injustice which it is proposed to inflict upon this Presidency in connection with the renewal of the Provincial Contract, the Chamber will be

in

in accord with the Haitian Govern-
ment.

I have the honour to be,

Sir,

Your most obed.t Servant,

Genp. G. Armstrong.

Charinac.

P.S.

A duplicate copy of the enclosed letter has been forwarded direct to the Government of Laudeci.

A Maurice
Secretary

Date given for copying 4/2
Date of Book 7
Date examined 7/3 1907
Date signed

...ER OF GOVT. No. DATED
1907

...ARENT No.

...CLOSURE TO G. No.

...DER OF GOVERNMENT	.. .. ..	A	A	A	A	A	A	A
...TTER OF GOVERNMENT								
STATEMENT WITH DITTO								
PAPERS NOT FILED UP, BEING P...NT FOR DESPATCH IN ORIGINAL.								

N.B.—
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