

Date taken out.	FOR WHAT PURPOSE.			Initials of clerk taking the paper or of attender.	Date returned.	Initials of attender.
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[3]

LOCAL AND MUNICIPAL
DEPARTMENT.

Paper taken out of the Records
from the charge of the Record-
keeper.

Press
Miscellaneous. No. 2124 Sub 1895.

FOR WHAT CURRENT.			By whom taken.	When taken out.
Depart-ment.	No.	Year.		
	877	4/97		
				7 3/4/97

[L. & M.]
[9,000-8-8-96.]

Local & Munl. (1895) Department.

MISCELLANEOUS.

G.O., No. 2124 In

DATED 19th December 1895

[Despatch Abstract.]

Loans and Advances.

Recording Government Order, Financial Department, record-
ing resolution of the Government of India passing orders on
the question of extending to municipalities and other debtors
to Government the relief obtained by Government in the matter
of interest by the conversion of 4 per cent loans into 3½ per
cent.

BACK PAPERS.

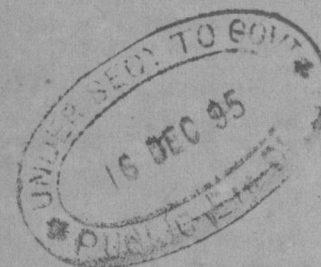
G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

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

& Municipal De
CURRENT No. 3746 Mi

Govt. of {1895} Madras.
FINANCIAL.



Issued

Recd.

16-12-95

Encl.

5 copies

G.O., No. 952, 4th December 1895.

DECEMBER.

Loans and Advances.

Recording Resolution of the Government of India passing orders on the question of extending to municipalities and other debtors to Government the relief obtained by Government in the matter of interest by the conversion of 4 per cent. loans into $3\frac{1}{2}$ per cents.

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Mis.

Order No. 2124 Mins. 19.12-95

Recorded.

17/12/95

19. XII. 95

19/12/95

BACK PAPERS.

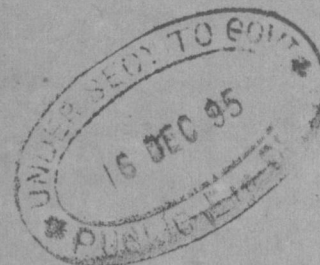
G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

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

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CURRENT No. 3776 *in*

Govt. of {1895} Madras.
FINANCIAL.



Issued

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50 pages

G.O., No. 952, 4th December 1895.

DECEMBER.

Loans and Advances.

Recording Resolution of the Government of India passing orders on the question of extending to municipalities and other debtors to Government the relief obtained by Government in the matter of interest by the conversion of 4 per cent. loans into $3\frac{1}{2}$ per cents.

N

mis.

Order No. 2124 *mis.* 19.12-95

Recorded.

S.A.
19.12.95

W.S.
19.12.95

19.12.95

No. 952, FINANCIAL, 4TH DECEMBER 1895.

GOVERNMENT OF MADRAS.
FINANCIAL DEPARTMENT.

READ—again the following paper:—

G.O., No. 151, Financial, dated 14th February 1895.

ABSTRACT.—Directing that the Government of India be addressed in view to the rate of interest payable by Provincial Governments to Imperial revenues on the mean outstanding balances of their advance and loan accounts being reduced from 4 to $3\frac{1}{2}$ per cent. with effect from the 1st August 1895.

READ—also the following paper:—

Resolution of the Government of India, Finance and Commerce Department (Accounts and Finance—Loans, &c.), dated Simla, the 5th November 1895, No. 5274-A.

The Governor-General in Council had recently under consideration the question whether, and to what extent, Government can extend to municipalities and other debtors the relief that they have themselves obtained in the matter of rate of interest by the conversion of the 4 per cent. loans into $3\frac{1}{2}$ per cents.; and it has been decided that it is too soon now to make any concession in the matter. Before the Government can decide whether any concession should be made, there ought to be much more assurance than at present exists that the present state of the money market is not altogether exceptional (as in some respects it undoubtedly is), and that when the depletion of their balances causes them to resume the practice of occasional borrowing, they will be able to raise money on as favourable terms as the present state of the market shows them to be.

2. The Government of India take the present opportunity to remove certain misconceptions that appear to exist in regard to the actual burden that Government have to bear at present on account of their public loans and in regard to the measure of concession that can in ordinary course be made to local bodies in respect of loans by Government.

3. In the first place it is assumed in some quarters that the Government now pay only $3\frac{1}{2}$ per cent. on their present rupee debt. But it should be understood that a great part of the present debt has been raised at a discount, and the Government have—

- (1) to pay $3\frac{1}{2}$ per cent. on the nominal value;
- (2) to undertake the obligation of repaying the nominal value and not the amount they actually received.

The Government have also to pay a considerable amount in respect of the management of the debt. The Government are not willing to admit that when they pay $3\frac{1}{2}$ per cent. interest on the nominal value of their loans they pay less than $3\frac{3}{4}$ per cent. upon the actual amount of money they raise; or that they can lend even on equal terms unless they charge $3\frac{3}{4}$ per cent. upon the amount they lend.

READ AGAIN ORDER OF GOVERNMENT, DATED
189, No. , MISCELLANEOUS.

BACK PAPER, No.

FURTHER PAPER, No.

OF 189

ENCLOSURES.

CURRENT No.

STATEMENT WITH DITTO.

ORDER OF GOVERNMENT

STATEMENT WITH DITTO.

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Miscellaneous.

LOCAL AND MUNICIPAL DEPT.

G.O., DATED

19-12-95

No.

2124 M

When given for copying.

[Despatch Abstract.]

Loans and advances

Recording G.O. F.D. recording resolution of the Govt. of India passing orders on the question of extending to Municipalities and other debtors to Government the relief obtained by Government in the matter of interest by the conversion of 4 percent loans into 3½ percents.

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189

READ AGAIN G.O., No.

189

DATED

CURRENT No.

ENCLOSURES TO C. No.

ORDER OF GOVERNMENT

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LETTER OF GOVERNMENT.

STATEMENT WITH DITTO.

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