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MADRAS RECORD OFFICE.

Government of Madras.

Rubbie - DEPARTMENT.

G.O. No.	1044	Press
		~~Mis.~~
Dated	13-10-	1866.

Not to be folded or roughly handled

Proceedings of the Madras Government, Public Department,
13th October 1866.

No. 109. Read the following letter from Lieutenant Colonel G. H. SAXTON, in charge of Ganjam and Orissa Survey, to the Secretary to Government, Military Department, Fort Saint George; dated Ootacamund, 20th September 1866, No. 94.

I have the honor to request that the authority of Government may be given to the Vizagapatam and other Treasuries near that and the Godavery Districts, to make advances on my receipt and responsibility, as permitted hitherto, during the field season. I shall require to take advances of pay, before marching early in December, for my whole Establishment up to the end of January, and subsequently for current months, until return to quarters in April or May. In all probability my requisitions will be made only on the Vizagapatam Treasury, but, in case of need, I shall be glad to have authority for credit at other Treasuries.

Transferred to the Public Department.

FORT SAINT GEORGE,
5th October 1866.

(Signed) H. MARSHALL, Major-Genl.,
Secretary to Government.

No. 110. ORDER THEREON, 13th October 1866, No. 1044.

Communicated to the Accountant General, who will make arrangements for placing funds at the disposal of the Officer in charge, Ganjam and Orissa Survey, from the Vizagapatam or any other Treasury, to the extent of the sanctioned requirements of his Establishment.

(True Extract).

Chief Secretary.

To the Accountant General.

,, Lieutenant Colonel G. H. Saxton, in charge, Ganjam and Orissa Survey.

Ed. J. H. Burns.

Public Department.

MEETINGS of the MADRAS GOVERNMENT.

Read letter from ~~Genl~~
Colonel G. S. Norton in charge of
Guntur and Cissa Survey.

Received 20th Sept 1866. N. 94.

Order 13 October 1866 N. 1044.

Communicated to the
Accountant General who
will make arrangements for
placing funds at the disposal
of the Officer in Charge Guntur
and Cissa Survey from the
Treasury or any other Treas-
ury, to the extent of the
~~required~~ requirements of his Establish-
ment.

W. L.

107

To the Secy to the Govt } despatched
to the Secy to the Govt }
to the Secy to the Govt }

1867. Department

No. 114.

PROCEEDINGS OF GOVERNMENT.

Dated 21st 6th 1867.

29/12/1867 or 1868 -

No. 11

From, E. W. Bayley Esq^r,
Secy to the Govt. of India

To The Honble R. S. Ellis. C.B.
Acting Chief Secy to Govt. of Madras.
Dada Saheb, the 3 August 1867

Dear Sir,

I am directed to forward the accompanying copy of a letter addressed from the Legislative Branch of this Department to the Bengal Chamber of Commerce, on the question of the compulsory registration of partnerships, and to request that, with the permission of the Council, the Madras Chamber of Commerce may be asked to forward the Govt. of India with an expression of opinion on the points noted therein.

I have the honour to be,

Sir

Your most obedt. servant.

E. W. Bayley
Secy to the Govt. of India.

Recd 23 Aug 67 by Secy to Govt.
in Office on 10/9/67.

Number of pages.
Date of repair.
Initials of Reference.

M.R.O. 1-20,000-10-10-20.

MADRAS RECORD OFFICE.

Government of Madras.

Public - DEPARTMENT.

G.O. No.	1044	Press
	(188-189)	Mis.
Dated	23-8-	1867.

Not to be folded or roughly handled

Nov. 23rd Aug. 11.
Public 1839. No. 10

Dear Augustina, I have
replied to the 5058

2013-2014

Shirley

1302.

There is a but for in
the badge of the union
and separation of nations
- Shiloh & great the China
of the Union & Nations
Commonwealth



Charm the spirit of conversation, with the report
that the Government are determined to
have power in the future with the
the power. The Government thinking
to bring a bill to go to the world by the
with conversation.

23. *Dequardt, A.*

11/11/11

Chairman of the

1881

1871

1880

1887-1899

020 - Aug 1
1922

*Proceedings of the Madras Government, Public Department,
23rd August 1867.*

No. 188. Read the following letter from the Secretary to the Government of India, to the Acting Chief Secretary to Government, Fort Saint George ; dated Simla, 3rd August 1867, No. 3038.

Home Department.

I am directed to forward the accompanying copy of a letter addressed from the Legislative Branch of this Department to the Bengal Chamber of Commerce, on the question of the compulsory registration of partnerships, and to request that, with the permission of His Excellency the Governor in Council, the Madras Chamber of Commerce may be asked to favor the Government of India with an expression of opinion on the points noted therein.

From W. STOKES, Esq., Assistant Secretary to the Government of India, Home Department, (Legislative Branch), to the Secretary to the Bengal Chamber of Commerce ; dated Simla, 31st July 1867.

I am directed to acknowledge the receipt of your letter of the 23rd March 1867, with its enclosure, and, in reply, to make the following remarks :—

2. The question of the expediency of an enactment for the compulsory registration of partnerships has long been before the Legislative Branch of the Government of India, and was much discussed when the Bill, which became Act XV of 1866, was referred to a Select Committee. The feeling of the Council was then against any such enactment. The general reason was thought to have weight, that a measure narrowing and limiting the proof of partnership would be rather in favor of fraud than against it. Again, no such requirement existing in England, it was felt to be desirable that the Commercial Legislation of England and of India should be as far as possible identical. Further difficulties appeared to be that a registration of merely ostensible partners would be comparatively useless, and, on the other hand, that under the system of undivided family property which prevails in India, registration of all persons interested in a partnership would sometimes, in the case of Hindu firms, be practically impossible. Lastly, it was understood that the Indian Law Commissioners were about to make certain proposals for defining and amending the law relating to private partnerships, and it was clearly inexpedient to proceed with any measure that might conflict with their recommendations.

3. The compulsory registration of trust-deeds and gifts, to which the letter of the Chamber incidentally refers, was brought by Sir Arthur Buller before the late Legislative Council, but was found to involve so many grave political difficulties, that the measure proposed by the learned Judge was dropped, and it seems inexpedient to revive it.

4. The arguments adduced, and the state of things disclosed in the letter under reply, and in those noted in the margin, do, however, lead the Governor General in Council to think that a measure requiring the registration of partnerships might now be introduced to the Council with a reasonable prospect of its ultimate adoption, provided it were confined to purely commercial partnerships, and if its operation were limited, at all events in the first instance, to the Presidency towns. Similar requirements, it may be remarked, are in force in France, Germany, and in several of the States forming the American Union, and the proposed measure would probably contain a clause resembling the French provision that neglect of enrolment nullifies the instrument of partnership as between the partners themselves, though they cannot make use of such defect as against third parties.

5. Before, however, the Bill is framed, it would be desirable to ascertain more distinctly the views of your Chamber on the following points

6. The Bombay Chamber of Commerce, and the Native Bankers who moved that Chamber to communicate with Government, apparently wish the registration to be enforced by pecuniary penalties, such as those inflicted on public Companies and their Directors by Sections 26, 33, &c., of the Indian Companies' Act X of 1866. It is obviously inexpedient to create new offences except where it is absolutely necessary to do so, and the Governor General in Council would

wish to know whether, in your opinion, it is desirable to apply such penal provisions to private firms, or whether a clause framed in the spirit of the French provision above mentioned, would be sufficient for all practical purposes. The effect of such a clause would, of course, be that one unregistered partner would lose his right to bind, or to be indemnified by the other, to share in the profits, or to obtain an account or dissolution. The partners collectively would also be unable to enforce against third persons the contracts entered into by the firm.

7. It is not clear from the letters above referred to, what details regarding the constitution of the firms, besides the names, ages, and residences of the members, it is, in the opinion of the Chambers, desirable to register. I am requested to indicate, as matters on which persons dealing with a firm may reasonably desire to be informed, the style of the firm, its place or places of business, the date of the commencement, and the proposed duration of the partnership, whether or not it may be determined earlier by notice, the capital to be employed in the business, the shares in which such capital has been or is to be contributed, provisions which partnership deeds often contain as to future advances, interest on capital, allowances to partners, and settlement of shares of partners dying during the term. The Governor General in Council would be glad to learn whether, in the view of the Chamber, all of these particulars, or any of them, should be entered in the Register.

8. The Governor General in Council assumes that it would be the wish of the Chamber that, in framing the Act, care should be taken to prevent the possibility of its affecting the position of persons who become partners by construction of law for the purpose of sharing in the liabilities of insolvent firms. Any such application of the new measure would obviously contribute rather to the encouragement than to the prevention of fraud.

From H. W. I. WOOD, Esq., Secretary to the Bengal Chamber of Commerce, to E. C. BAYLEY, Esq., Secretary to the Government of India; dated 23rd March 1867.

The Committee of the Chamber of Commerce have received from the Bombay Chamber copy of a representation to the Government of Bombay as to the expediency of a legislative enactment for the compulsory registration of partnerships and of deeds of trusts and gifts.

2. The Chamber states that "the numerous insolvencies of Native firms, which have taken place in Bombay within the last ten months, have revealed a very scandalous state of things in respect to the manner in which Native co-partneries are commonly carried on. It has been proved, when investigating the facts connected with some of the insolvencies under Act XXVIII of 1865, that Native merchants have been carrying on business under several different names, and have thus obtained credit and advances from English merchants and bankers what would never have been accorded to them had the actual state of affairs regarding the constitution of these Native firms been known. Cases were known to the Chamber where men have regularly bought and sold for Native firms, signed the names of the firms, and were always supposed to be members of the firms; yet, when insolvency afterwards ensued, they denied they were partners, and were thus enabled to get rid of their liability, because it was almost impossible to prove their statements to be untrue."

3. The extent of this practice is so great, and its consequences are so serious, that many Native bankers, merchants, and others have recognised the necessity of appealing to the Chamber for the adoption of such stringent measures as will effectually put a stop to the system of fraud from which they, in common with the European merchants, have so severely suffered.

4. They are of opinion that the compulsory registration of partnerships will be attended with great benefit to the entire commercial community, and effect considerable moral good; and, while they urge that legal provision should be made in this important respect, they also strongly advocate the necessity for bringing deeds of trust and gift within the operation of the law.

5. They declare that "instances have lately come to light of persons of influence and wealth having privately placed considerable portions of their property or possessions in trust, or given the same away nominally as gifts to their relatives, but really to be held for the benefit of themselves and their families in case of their being unfortunate in their speculations." They assert that "the effects of such proceedings are most serious; and, unless some measures are taken to prevent a recurrence of them, the entire system of commercial credit is endangered—a result which could not but be disastrous to the interests of trade and to the commerce of Bombay."

6. Copies of the communication from the Bombay Chamber of Commerce to the Government of Bombay, and of that of the Native bankers and merchants to the Chamber, are herewith submitted for the consideration of the Governor General in Council.

7. In placing these papers before His Excellency, the Committee of the Chamber of Commerce believe His Excellency will not fail to be struck with the spontaneous action of the Native community, who have unhesitatingly denounced the fraudulent conduct of some of their number, and who urgently demand the protection of the law on behalf of their commercial honor and security. The Committee are of opinion that such a proceeding is highly creditable to the Native merchants and bankers of Bombay, whose desire to place beyond all question as to their character the commercial transactions in which they are engaged merits at the hands of the Governor General in Council the most favorable consideration which His Excellency can give to it.

8. The Committee cordially concur in the representation of the Bombay Chamber, and earnestly desire to support the movement which they have initiated.

9. They, therefore, respectfully recommend that the Act for the registration of Assurances (Act XVI of 1864) may be extended to the registration of partnerships and of all deeds of trust and gift, and they pray the Governor General will be pleased to direct the introduction into the Legislative Council of a Bill which shall make such provision in this respect as may appear expedient to His Excellency.

From the Acting Under Secretary to the Government of Bombay, to the Secretary to the Government of India, Home Department, Simla; dated 27th May 1867, No. 1663.

Adverting to the correspondence ending with your letter, No. 727, dated 10th May 1866, I am directed by the Right Honorable the Governor in Council to forward, for submission to the Government of India, the accompanying copy of a letter, No. 28, dated the 28th February last, from the Secretary to the Bombay Chamber of Commerce, with enclosure, being transcript of a memorial addressed to the Chamber by a number of the principal Native merchants and bankers in Bombay, pointing out "the desirableness of a legislative enactment for the compulsory registration of partnerships and of deeds of trusts or gifts."

2. Copies of the Minutes recorded by the Honorable Members of this Government on the subject are also herewith forwarded.

From J. TAYLOR, Esq., Secretary to the Chamber of Commerce, Bombay, to the Secretary to the Government of Bombay, Judicial Department; dated 28th February 1867, No. 28.

I am directed by the Committee of Management of the Chamber of Commerce to forward, herewith, for the information of His Excellency the Governor in Council, copy of a memorial addressed to the Chamber by a number of the principal Native merchants and bankers in Bombay, praying the Chamber to bring to the notice of Government "the desirableness of a legislative enactment for the compulsory registration of partnerships" and of deeds of trusts or gifts.

2. When handing up to Government in March last year, the Minutes of various Members of the Chamber on the Bill to amend the law of partnership in India, which was at that time before the Governor General's Council, I had the honor, in my letter dated 23rd idem, to direct the attention of Government to the necessity for a registration of partnerships and of commanditarius loans that might be made under its provisions; but the Bill was passed into a law before the suggestions referred to could have been brought to the notice of the Members of the Legislative Council of India.

3. Since the Bill referred to became law, the question of a compulsory registration of partnerships has again been under the consideration of the Chamber, and it was recently resolved that Government should be addressed on the subject, with a view to a Bill being introduced into the Legislative Council of India, the provisions of which should be framed in such a manner as would provide for accomplishing the objects above mentioned.

4. The numerous insolvencies of Native firms which have taken place in Bombay within the last ten months, have revealed a very scandalous state of things in respect to the manner in which Native co-partneries are commonly carried on.

5. It has been proved, when investigating the facts connected with some of the insolvencies under Act XXVIII of 1865, that Native merchants have been carrying on business under several different names, and have thus obtained credit and advances from English merchants and bankers that would never have been accorded to them had the actual state of affairs regarding the constitution of these Native firms been known.

6. A common mode of procedure appears to be somewhat as follows:—Four or five Natives form themselves into as many separate firms with distinct and separate names, but really consisting of the same persons; they go for advances to English merchants and bankers, each taking a certain proportion; and in this way much credit has been obtained on a basis so exceedingly small that serious loss has been incurred by English houses where, if the real circumstances connected with such firms had been known or could have been in any way obtained, credit would not have been given at all.

7. Cases are known to the Chamber where men have regularly bought and sold for Native firms, signed the names of the firms, and were always supposed to be members of the firms; yet when insolvency afterwards ensued, they denied they were partners, and were thus enabled to get rid of their liability, because it was almost impossible to prove their statements to be untrue.

8. The question of a compulsory registration and publication of deeds of trusts and gifts referred to in the memorial of the Native merchants and bankers, is hardly second in importance to that of partnerships.

9. The experience of members of this Chamber fully corroborates all that is set forth in the Native merchants' memorial regarding the manner in which property has been conveyed to near relatives, or given away nominally as gifts, but really intended to be held for the benefit of the families of men who have become bankrupt, and who defraud their creditors by thus making away with their property without the slightest compunction, when they can contrive to do so without bringing themselves within the grasp of the law.

10. For the protection of the mercantile and banking interests of this country against these serious evils, this Chamber is of opinion that the most effectual remedy will be found in a carefully considered scheme of compulsory registration of partnerships and deeds of trust or gifts.

11. A custom already prevails amongst European merchants in India of voluntarily announcing by advertisement in the *Government Gazette* and the local newspapers all changes, whether as regards the retirement of existing partners or the admission of new ones, and by their voluntarily supplying to the compilers of the annual calendars the names of the various partners merchants; on the contrary, the greatest secrecy is observed by most of them; and it is next to impossible for European merchants and bankers to find out the truth about Native firms as regards position and liability of ostensible partners when they have an interest, or suppose they have in concealment.

12. Machinery for carrying out a scheme of partnership registration could be readily attached to the present Registration Office. There might be two registers alphabetically arranged, —one of firms and another of the individual members composing firms, with the necessary particulars as to age, place of residence, and such other details as might be considered requisite for facilitating reference, and otherwise affording information regarding the constitution of firms which those having business relations with a body of partners have a right to know.

13. The names of persons who sign for firms, or hold powers of attorney authorizing them to act for firms, should also be included in the registers.

14. Compulsory registration would be indispensable to the efficiency of the scheme, and registration should be enforced under certain penalties.

15. The character of the penalties is a matter of detail that there need be little difficulty in arranging; but on this point the Chamber, though fully concurring in the principles of the memorial from the Native merchants, does not commit itself to the approval of the details as to the manner in which they propose to carry out the objects of the same.

16. In bringing this subject before Government, I am directed by the Committee of Management of the Chamber respectfully to express a hope that His Excellency the Governor

in Council may take it into his early consideration and press the same on the attention of the Government of India with a view to legislation at the earliest possible date. Any information or assistance Government may require in dealing with a question so important to the mercantile and banking interests of this country, which it may be in the power of this Chamber to afford, shall be cordially and cheerfully rendered.

From VURJEEVUN DASS, MADOW DASS, and thirty others, to the Secretary, Chamber of Commerce, Bombay; dated 14th November 1866.

We, the undersigned Native bankers, merchants, and others, beg to intimate our cordial approval of the opinion expressed by the Chamber of Commerce in its last annual Report as to the desirableness of legislative enactment for the compulsory registration of partnerships. We are of opinion that such an enactment is urgently required, and that if the wishes of the Chamber are complied with by Government, such compliance will not only benefit the entire commercial community, but will effect considerable moral good. We beg leave to suggest that the non-registration of partnerships (giving the name, residence, previous occupation, &c., of each partner in full), and of all changes made from time to time by the retirement of old or introduction of new partners, should be made punishable in the same way as the non-registration at present of Joint Stock Companies; and we would further recommend that no partnership firm should be allowed to appear plaintiffs-at-law for claims which may have originated at any period prior to their partnership being registered.

2. Another enactment which is, in our opinion, urgently required in the interests of the commercial community, for obtaining which we solicit the influence and exertions of the Chamber, is a law for the publication of deeds of trusts or gifts. Instances have lately come to light of persons of influence and wealth having privately placed considerable portions of their property or possessions in trust, or given the same away nominally as gifts to their relations, but really to be held for the benefit of themselves and their families in case of their being unfortunate in their speculations. The effects of such proceedings are most serious, and unless some measures are taken to prevent a recurrence of them, the entire system of commercial credit is endangered—a result which could not but be disastrous to the interests of trade and to the commerce of Bombay. We would point out for the consideration of your Chamber that, in the cases referred to, it was found out only on the bankruptcy of the parties that the property supposed to stand in the name of bankrupts, and to be available for the payment of their debts, had been made away with, and unless some legislative enactment be passed, such as that now asked for, it will create distrust even in the richest and most upright traders, because no one will know whether or not their properties have been transferred over to others. We would further point out that if debtors are in this way enabled to obtain the sanction of law for trading on the credit of possessing wealth, which had previously been placed beyond the reach of creditors, there is no saying to what extent the examples just brought to light will be followed hereafter. The evil we are noticing is clearly one of those cases in which the English law would teach the people of this country a convenient mode of practising dishonesty, to which they had been strangers previously. We therefore suggest that when any one individual sets apart in trust or makes a gift out of his property for the benefit of himself, his wife, family, relatives or friends, such deed of trust or gift shall not be valid unless described and notified in the *Government Gazette*. We would also recommend that the proposed Act be made retrospective and require the publication of all deeds of trust and gifts executed twelve months prior to the passing of the Act.

3. Begging of the Chamber to take the above matter into consideration, with the view of pressing the same upon the attention of Government.

Minute by the Honorable Mr. ERSKINE, subscribed to by the Honorable Mr. ELLIS; dated 20th April 1867.

As I was not sure that I rightly apprehended the wishes of the Chamber of Commerce on the subject of a compulsory registration of partnerships, I communicated with the Honorable Mr. Hunter, who was good enough to meet me one evening in company with Mr. Grant, Mr. Astly, Mr. Campbell, Mr. Taylor, and Mr. S. Shapoorjee.

23rd August 1867.

I ascertained that the allusion in paragraph 2 of the Chamber's letter was not intended to suggest any re-opening of the question relative to the registration of loans *en commandite*.

I ascertained also that there was no desire to press the suggestion made in paragraphs 8 to 10 of the letter.

The one point in regard to which the gentlemen present appeared to be unanimous, was the expediency of obtaining, if possible, an enactment for the compulsory registration and publication of the names of all persons entering into partnerships—the process to be repeated on each occasion of a change in the *personnel* of any partnership.

I was assured that no member of the Chamber had dissented from this recommendation—that the feeling in favor of it was also very strong among the Native merchants, and that the Chamber of Commerce in Calcutta had signified its concurrence in the proposal, and its desire to give every support to it.

The practice of publishing (by advertisement) the names of all the partners of every European firm, and all changes in the constitution of such firms, is already generally followed in Bombay.

With reference to paragraph 12 of the Chamber's letter, I believe that such registrations might be arranged, very simply and without extra cost, in the office of the Registrar of Joint Stock Companies. The attention of the Registrar General has already, it appears, been drawn to the subject, in connection with registrations of money bonds, by Marwarrees, without the production either of a deed of partnership or of a power of attorney.

As it appears that the desire for such a registration of partnerships is widely felt among mercantile men, both European and Native, I would recommend the subject to the consideration of the Government of India.

As many partnerships exist only for a limited period, or for particular ventures, it would be necessary to make special provision for that class of cases.

It would be necessary also to provide carefully for the rights, in partnerships, of females, minors, &c.

The most difficult question, it seems to me, is that which relates to the rights of members of undivided Hindu families in mercantile and banking firms. But this likewise is rather a matter of detail.

We might express a hope that the subject will receive the early attention of the Government of India.

— — —
MINUTE by the Right Honorable the Governor; dated the 20th May 1867.

The Minute of Mr. Erskine omits any reference to the registration of deeds of gift and trusts. There is more difficulty in dealing with this question, as, for any legislation in order to secure the object the memorialists have in view, it would be difficult to avoid including such *bona fide* gifts and conveyances in trust as might fairly and properly be made to provide for near relatives or carrying out family arrangements, and thus unnecessarily exposing the private affairs of individuals. The attention of the Government of India, however, may be invited to the subject.

No. 189. ORDER THEREON, 23rd August 1867, No. 1044.

Forwarded to the Madras Chamber of Commerce, with a request that this Government may be favored with their views on the points noted in the letter from Mr. Assistant Secretary Whitley Stokes of the 31st July last.

(True Extract).

Acting Chief Secretary.

To the Chairman of the Chamber of Commerce.

Edw. J. Tulloch.

No.

FROM

THE ASST. SECY. TO THE GOVT. OF INDIA,
HOME DEPT. (LEGISLATIVE BRANCH).

To

THE SECY. TO THE BENGAL CHAMBER OF COMMERCE.

Simla, the 31st July 1867.

SIR,

I AM directed to acknowledge the receipt of your letter of the 23rd March 1867, with its enclosure, and, in reply, to make the following remarks:—

2. The question of the expediency of an enactment for the compulsory registration of partnerships has long been before the Legislative Branch of the Government of India, and was much discussed when the Bill, which became Act XV. of 1866, was referred to a Select Committee. The feeling of the Council was then against any such enactment. The general reason was thought to have weight, that a measure narrowing and limiting the proof of partnership would be rather in favour of fraud than against it. Again, no such requirement existing in England, it was felt to be desirable that the Commercial Legislation of England and of India should be as far as possible identical. Further difficulties appeared to be that a registration of merely ostensible partners would be comparatively useless, and, on the other hand, that under the system of undivided family property which prevails in India, registration of all persons interested in a partnership would sometimes, in the case of Hindú firms, be practically impossible. Lastly, it was understood that the Indian Law Commissioners were about to make certain proposals for defining and amending the law relating to private partnerships, and it was clearly inexpedient to proceed with any measure that might conflict with their recommendations.

3. The compulsory registration of trust-deeds and gifts, to which the letter of the Chamber incidentally refers, was brought by Sir Arthur Buller before the late Legislative Council, but was found to involve so many grave political difficulties, that the measure proposed by the learned Judge was dropped, and it seems inexpedient to revive it.

4. The arguments adduced and the state of things disclosed in the letter under reply, and in those noted in the margin, do, however, lead the Governor General in Council to think that a measure requiring the registration of partnerships might now be introduced to the Council with a reasonable prospect of its ultimate adoption, provided it were confined to purely commercial partnerships, and if its operation were limited, at all events in the first instance, to the Presidency towns. Similar requirements, it may be marked, are in force in France, Germany, and in several of the States forming the American Union, and the proposed measure would probably contain a clause resembling the French provision that neglect of enrolment nullifies the instrument of partnership as between the partners themselves, though they cannot make use of such defect as against third parties.

5. Before, however, the Bill is framed, it would be desirable to ascertain more distinctly the views of your Chamber on the following points:—

6. The Bombay Chamber of Commerce, and the Native Banker, who moved that Chamber to communicate with Government, apparently wish the registration to be enforced by pecuniary penalties, such as those inflicted on public Companies and their Directors by Sections 26, 33, &c., of the Indian Companies' Act X. of 1866. It is obviously inexpedient to create new offences except where it is absolutely necessary to do so, and the Governor General in Council would wish to know whether, in your opinion, it is desirable to apply such penal provisions to private firms, or whether a clause framed in the spirit of the French provision abovementioned, would be sufficient for all practical purposes. The effect of such a clause would, of course, be that one unregistered partner would lose his right to bind, or to be indemnified by the other, to share in the profits, or to obtain an account or dissolution. The partners collectively would also be unable to enforce against third persons the contracts entered into by the firm.

7. It is not clear from the letters above referred to, what details regarding the constitution of the firms, besides the names, ages, and residences of the members, it is, in the opinion of the Chambers, desirable to register. I am requested to indicate, as matters on which persons dealing with a firm may reasonably desire to be informed, the style of the firm, its place or places of business, the date of the commencement, and the proposed duration of the partnership, whether or not it may be determined earlier by notice, the capital to be employed in the business, the shares in which such capital has been or is to be contributed, provisions which partnership deeds often contain as to future advances, interest on capital, allowances to partners, and settlement of shares of partners dying during the term. The Governor General in Council would be glad to learn whether, in the view of the Chamber, all of these particulars, or any of them, should be entered in the Register.

8. The Governor General in Council assumes that it would be the wish of the Chamber that, in framing the Act, care should be taken to prevent the possibility of its affecting the position of persons who become partners by construction of law for the purpose of sharing in the liabilities of insolvent firms. Any such application of the new measure would obviously contribute rather to the encouragement than to the prevention of fraud.

I have the honor to be,

S I R,

Your most obedient Servant,

(Signed) WHITLEY STOKES,

*Asst. Secy. to the Govt. of India,
(Legislative Branch).*

76-2
From, E. W. Bayley Esq.
Secy to the Govt of India
to The Honble W. J. Halliday Esq.
Acting Chief Secy to Govt of Madras.
Dated Madras, the 1st August 1857

Dear Sir,

I am directed to forward the accompanying copy of letter addressed from the Legislative Branch of this Department to the Bengal Chamber of Commerce, on the question of the compulsory registration of partnerships, and to request that, with the permission of His Excellency the Governor in Council, the Madras Chamber of Commerce may be asked to favor the Govt. of India with an expression of opinion on the points noted therein.

Yours respectfully,

Sir

Your most obedt. servant.

E. W. Bayley
Secy to Govt of India.

Received by Mr. Bayley
the 23rd Aug 1857
in acknowledgement of the letter of the 15th