

31st 23-9-20

ORDINARY, MS.

Public DEPARTMENT.
G.O., DATED 6-4-93.
No. 200.

INDEXED

~~When given for copying.~~

[Despatch Abstract.]

Recording endorse.
- ment of the Govt of
India forwarding copy
of despatch from the
Secy of State regarding
the financial crisis
in the island of
Reunion -

Current No. 676

Public DEPARTMENT.

Hid. and tiro

Submitted in continuation of papers circulated on the 2nd instant

From Gov. J.

No. $\frac{477}{23}$

$\frac{7.5.13}{6/3}$

Col. P. March

What papers? Those relating to the deputations of an officer to the Island?

I don't see the connection. Unless it be that the ^{case for} the deputation of an officer as decided by the Gov. of India is strengthened. Record

Wes 26/10/90
10 Mar

order 6 April 93 No 280

Recorded.

1 from orders.

31 March

$\frac{7.5.13}{30/3}$

Dated 1st }
Received 6th } March 1893
Enclosures

SUBJECT.

Forwarding despatch from the Secy. of State (Public Engraving) no 15-1-93 regarding a financial crisis in Russia.

FURTHER PAPER, No. 2503

READ AGAIN ORDER OF GOVERNMENT, DATED 18, No. MISCELLANEOUS.

ENCLOSURES

CURRENT No.

STATEMENT WITH DITTO.

ORDER OF GOVERNMENT.

LETTER OF GOVERNMENT.

STATEMENT WITH DITTO.

PAPERS NOT FILED UP, BEING MEANT FOR DESPATCH IN ORIGINAL (not paged).

N.B.—

- A = Copy in full.
- B = Not to be copied.
- P = Copy abstract only.
- Q = Copy heading only.

was justified on the ground that it was necessary for the "Salut du pays".

The same day the Credit Agricole re-opened & resumed payments, & it now remains to be seen whether the two millions thus added to the Credit Agricole debt will enable it to tide over its troubles, or whether they will prove its curse, dragging the Colony down to a still completer ruin.

So far as the British Indians are concerned the Vote was a most happy one as it enabled them to withdraw their deposits which were mainly in the Credit Agricole, & which I feared were lost.

The situation thus created is ^{most} peculiar.

We have the Banque de la Reunion, a semi-state Bank, the Credit Agricole, a private Bank now become by the Vote of the Conseil General a semi-Colonial Bank, whilst both the Credit Agricole & the Conseil General are bound hand & foot to the Banque de la Reunion. It is quite impossible to predict the result of the crisis, but probably the Credit Agricole & the Banque, one or both, will be liquidated & a new Bank started.

In any case it is earnestly ^{to be} hoped that the blank ruin now staring the Colony in the face may be averted.

he was proceeding to Paris to protect the interests of the shareholders and customers of his bank, and to arrange a scheme of "immigration rationnelle".

This unlooked for step of Mons. Grenard created a great commotion & was freely commented upon; but the excitement was raised to a fever pitch when the following mail brought the news that the Bills drawn by the Credit Agricole on the Credit Lyonnais at Paris had not been accepted & were to be protested. A run upon the Credit Agricole commenced, & on Tuesday the 29th ultimo the institution suspended payment.

The failure of the Credit Agricole in itself was bad enough, for it meant ruin of the colony, universal bankruptcy, & want, misery & starvation for the greater part of the inhabitants.

But beyond that it was feared that the "Banque de la Reunion" which is only ^{to} a limited extent a State Bank, was so much involved with the Credit Agricole's affairs that the fall of the one would entail the fall of the other and that with the fall of the Bank its paper money which forms the currency of Reunion would become worthless by depreciation.

The Privy Council was summoned in haste, the Directories of both Banks sat in secret conclave & the Conseil General was summoned to an extraordinary Meeting.

On Thursday morning it was announced that the Conseil General has guaranteed to the Banque de la Reunion a sum of 2,000,000 of two million francs which the bank was to pay over to the Credit Agricole.

This vote which was carried by twenty three to three

Despatch from Her Majesty's Secretary of State for
India, No.15 (Public Emigration) dated 26th January 1893.

I forward for information of Your Excellency in Council
5th December 1892, Commercial No.4. copy of a despatch

from Her Majesty's Consul in Reunion reporting a financial
crisis in that island.

From Her Majesty's Consul in Reunion, to the Earl of
Rosebery, K.G., No.4 (Commercial), dated 5th December 1892.

Reports from this Consulate have from time to time been
made to the Foreign Office as to the precarious position
of the "Credit Agricole et Commercial de la Reunion" a
relatively large Banking House which had practically
absorbed all the financial business of the island, and
unfortunately the savings of the greater part of its
inhabitants.

It has long been an open secret that the "Credit Agri-
cole" has been enabled to keep open solely by the aid
given to it by the "Banque de la Reunion", and the press
during the last few months has been full of criticism as
to the liberal manner in which the Credit Agricole was
allowed to dip into the coffers of the Bank; and rightly
or wrongly it was alleged that great pressure was brought
to bear by the Local Government ~~xxx~~ on the Directorate of
the Bank to force them to advance further sums to the
Credit Agricole.

In the midst of this ^{fit} commotion Monsieur Grenard, the
Manager of the Credit Agricole suddenly left Reunion
after at the last moment issuing a circular stating that

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No. $\frac{477}{23}$

GOVERNMENT OF INDIA.
REVENUE AND AGRICULTURAL DEPARTMENT.
(Emigration.)

Calcutta, dated the ^{1st March} ~~February~~ 1893.

Forwarded to the Government of Madras for information.



By order,

A handwritten signature in dark ink, appearing to read "J. M. Macpherson".

Under-Secretary to the Government of India.

List of Papers Forwarded.

Despatch from the Secretary of State for India, No. 15
(Public Emigration) dated the 26th January 1893 & enclosure.