M.R.O. 14—10,000—21-4-22

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 1473 Press ~~Mis.~~

381-382

Dated 29-8- 1860.

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 29th August 1860.

No. 381. Read the following letter from F. LUSHINGTON, Esq., Acting Accountant General, to J. D. BOURDILLON, Esq., Secretary to Government, Revenue Department, dated Madras, 22nd August 1860, No. 153 :—

SIR,

1. I have the honor to acknowledge the receipt of the Order of Government in the Revenue Department, number and date as per margin,* forwarding for my report, a letter from the Chairman of the Madras Chamber of Commerce, dated the 4th instant, on the subject of the proposed abolition of the Cash Chest attached to the Office of the Collector of Sea Customs. The Chamber object to this measure, on the grounds that "the adjustment of duties, and the "subsequent obtaining of the receipts for their payment in the proposed method, would entail "upon the Commercial Community a delay of little less than eight and forty hours, and greatly "add to the expense of establishment, and appliances for the conduct of this class of business,"— and further, "that the insisting on payment of duties elsewhere than at the Customs, would be "opposed to the spirit of the Customs Act."

* 10*th August* 1860, *No.* 1,328.

2 The Government is aware that the proposal to abolish the Customs House Cash Chest does not come under discussion now for the first time, as assumed by the Chamber. It was fully considered and approved by Sir Charles Trevelyan, when Governor, and formed one of a series of measures, brought forward at that time, by the Accountant General, Mr. R. P. Harrison, to consolidate, as much as possible, the numerous small Treasuries and Cash Chests scattered throughout the Presidency, in view to the utilisation of the balances, the diminution of the number of Returns and Accounts, and the reduction of the Establishments and Treasury Guards. Some of these measures have since been successfully carried out, to the great relief of this and other Departments, and the only question which remained for me to consider, in connection with the abolition of the Sea Customs Treasury was, whether it were necessary to defer that measure pending the revision of the Collector's Establishment by Mr. Pelly, and, on the grounds stated in my letter to Government of the 10th ultimo, further delay on that account seemed to me unnecessary.

3. It was not expected, I may remark, that the Madras Bank would, willingly, undertake the duty of receiving payments made on account of Customs duties, but it was believed that with the well trained Establishment at the command of the Bank, it might perform that duty with greater efficiency, economy and despatch, and at the same time with better security to the interest of the public and the Government, than the small Establishment maintained for that purpose at the Custom House. And so much accommodation, considering the value of our account to that institution, and the relief that would be afforded to it by the transfer Cheques as explained at paragraph 5, herein, I think the Government has a right to expect.

4. To enable me to determine what amount of labor would be thrown on the Madras Bank, by the proposed transfer to it of the receipt of Customs duties, I requested the Collector of Sea, Customs, to forward, for my inspection, his daily Cash Account for the last two or three months, and I find that the duties levied during the month of May, averaged daily about 6,500 Rupees, and the number of payments on that account about 60,—of this amount above one-third was contributed by European Merchants, and the remainder by Native Merchants, the number of payments made by each class being in nearly the same proportion.

5. It cannot I think be denied that to the English Mercantile Firms, and to the Railway, Department who have an account with the Bank, the proposed change so far from being productive of inconvenience and delay, would be, in many respects beneficial both to themselves and to the Bank. Under the present deposit system, which obtains at the Customs House, parties are permitted to adjust their account with the Collector at stated periods—any persons therefore having money in the Bank, instead of withdrawing it in the first instance, and then paying it into the Customs Treasury, would simply pass a transfer Cheque and thereby instruct the Secretary to debit their account with the amount, and place the same to the credit of the Sub-Treasurer, handing to the Collector of Sea Customs the Bank receipt as a sufficient discharge for the amount due by them. These Cheques are commonly drawn in red ink, and this mode of

distinguishing transfer from *bond fide* Cheques is found very useful at Home. Excluding then the Custom duties, which might, and, probably, would be paid by transfer as above stated, there would still be about 40 money payments, on the average, daily to be made into the Bank, and it is asserted, that to obtain receipts for these payments, and to present them at the Customs House would occasion to the parties a delay of nearly 48 hours—or in other words that a Merchant tendering his money at the Bank on Monday at noon, would not be able to obtain a receipt for the same until Wednesday morning, for the delay occasioned in going to and from the Bank to the Customs House, a distance of about 500 yards or five minutes walk, is too trifling to be taken into account. I have not the slightest intention of impugning the correctness of this assertion, and the delay might be as great as stated by the Chamber, but I submit that by no one unacquainted with the management of the Bank could that result have been anticipated.

6. It is, I am persuaded, as much the wish of Government, as it is of this department, not merely that no unnecessary obstacles shall be thrown in the way of mercantile transactions, but that every possible facility shall be given to them, and I have no hesitation, therefore, under existing circumstances, in recommending that the Order of Government of 23rd ultimo, directing the abolition of the Sea Customs Treasury be suspended, and that payment on account of Customs duties be received there as heretofore—that parties having an account with the Bank, and desiring to pay the amount of duties due by them into it, instead of into the Customs House Cash Chest, be permitted to do so, and that the Collector be authorised to accept the Bank receipt as a sufficient discharge for such amount—and, further, that the Collector be directed to remit, daily, to the Bank, to be placed to the credit of the Sub-Treasurer, all amounts collected by him up to the closing hour of the Bank. The experience of a few weeks will enable the Government to determine how far the Mercantile Community may be disposed to avail themselves of the option of making their payments into the Bank, and to what extent the Treasury Establishment at the Custom House may, in consequence, be reduced.

No. 382. ORDER THEREON, 29th August 1860, No. 1,473.

1. In this letter the Acting Accountant General replies to the Order of Government referring for his report certain objections made on the part of the Mercantile Community of Madras to the intended abolition of the Treasury at the Sea Custom House. Mr. Lushington contests the justice of the objections; but he recommends that under the circumstances, the measure should be suspended, and that payment of Customs duties should be received at the Custom House as at present. He recommends at the same time that parties wishing to make their payments into the Bank should be allowed to do so, the Bank receipt for the amount due being accepted by the Collector as a sufficient discharge; and further that the Collector should be required to remit daily to the Bank, to be placed to the credit of the Sub-Treasurer on his account, the collections made by him up to the closing hour of the Bank.

2. The Governor in Council approves the proposal to suspend the execution of the Order for the abolition of the Treasury. He also approves and sanctions the proposal that persons having to pay Customs Duty, may at their option pay the amount into the Bank; the Bank Receipt to be accepted by the Collector as a sufficient discharge. In other respects the existing practice will continue unaltered for the present.

(Signed) J. D. BOURDILLON,
Secretary to Government.

Revenue Department

No. 1473.

Proceedings of the Madras Government
Under date the 29th August 1860

Read the following letter
from the Acting Accountant
General.

Reporting upon a letter from the Chairman of the Chamber of Commerce on the subject of abolishing the Customs House Cash Chest.

(Here enter 22d August 1860 No. 153)

In this letter the Acting Accountant Genl replies to the Order referring for his report ~~certain~~ objections of Govt made on the part of the mercantile ~~objections urged by the~~ community of Madras to the intended ~~Chamber of Commerce to the~~ abolition of the Treasury at the Sea ~~proposed abolition of the Sea~~ Custom House. ~~of the Treasury at the Sea Custom~~ ~~House.~~ Mr Lushington contests the justice of the objections ~~House; the he he recommends~~ but he recommends ~~that~~ and ~~General~~ in the letter under the circumstances, ~~above recorded recommends~~ the ~~that that~~ measure should be suspended, and that payment of Customs duties should be received at the Custom House as at present. ~~before~~. He recommends at the same time that parties wishing to make their

~~Lushington's letter, on the opinion of Lyon & Lopez to secure objections, and they direct that it be discontinued.~~

3 Copies
Ag. Acct. Genl. Dirs. &c.
12 Board of Rev.
3 Civil Auditor
1 Ag Chairman of the Chamber of Commerce ~~with ref: to his letter 6 Aug 46~~
1 Parthasarathi Iyengar ~~with reference to the Petn. from him & others, of 6 Aug 46~~

Revised Copies
Dirs. 3rd Augt. to the above Parties.

their payment to into the Bank should be allowed to do so for the amount due the Bank receipt being accepted by the Collector as a sufficient discharge, ~~for the sums due by them,~~ and further that the Collector should be required to remit daily to the Bank, to be placed to the credit of the Sub Treasurer on his account, the collections made by him up to the closing hour of the Bank.

2. ~~The Govr. sanction the course~~ this proposed by Mr Lushington, and ~~directed that it be adopted.~~ A report of the working of this arrangement will be submitted by the Board of Revenue after six months' trial.

2. The Governor in Council approves the proposal to suspend the execution of the Order for the abolition of the Treasury. He also approves and sanctions the proposal that persons having to pay Customs Duty, may at their option pay the amount into the Bank, the Bank Receipt to be accepted by the Collector as a sufficient discharge. In other respects the existing practice will continue unaltered for the present.

3. ~~The present plan of holding money in deposit at the Custom House & account of Merchants and Mercantile Firms, noticed in para 5 of Mr.~~ Lushington's

Treasury at the Madras Sea Custom House

Revenue 1860 Septr.
Pro: of Govt for August.

No 1473.

Pro: of the Madras Govt
Dy 29th August 1860.

From the Chairman of Chamber of Commerce Dy 15th Septr 1860.
C. No 2107.
Board's Pro 15 November 1860
C & T No 317.

Approving the proposal to suspend the execution of the order for the abolition of the Treasury at the Sea Custom House.

No 381 & 382.