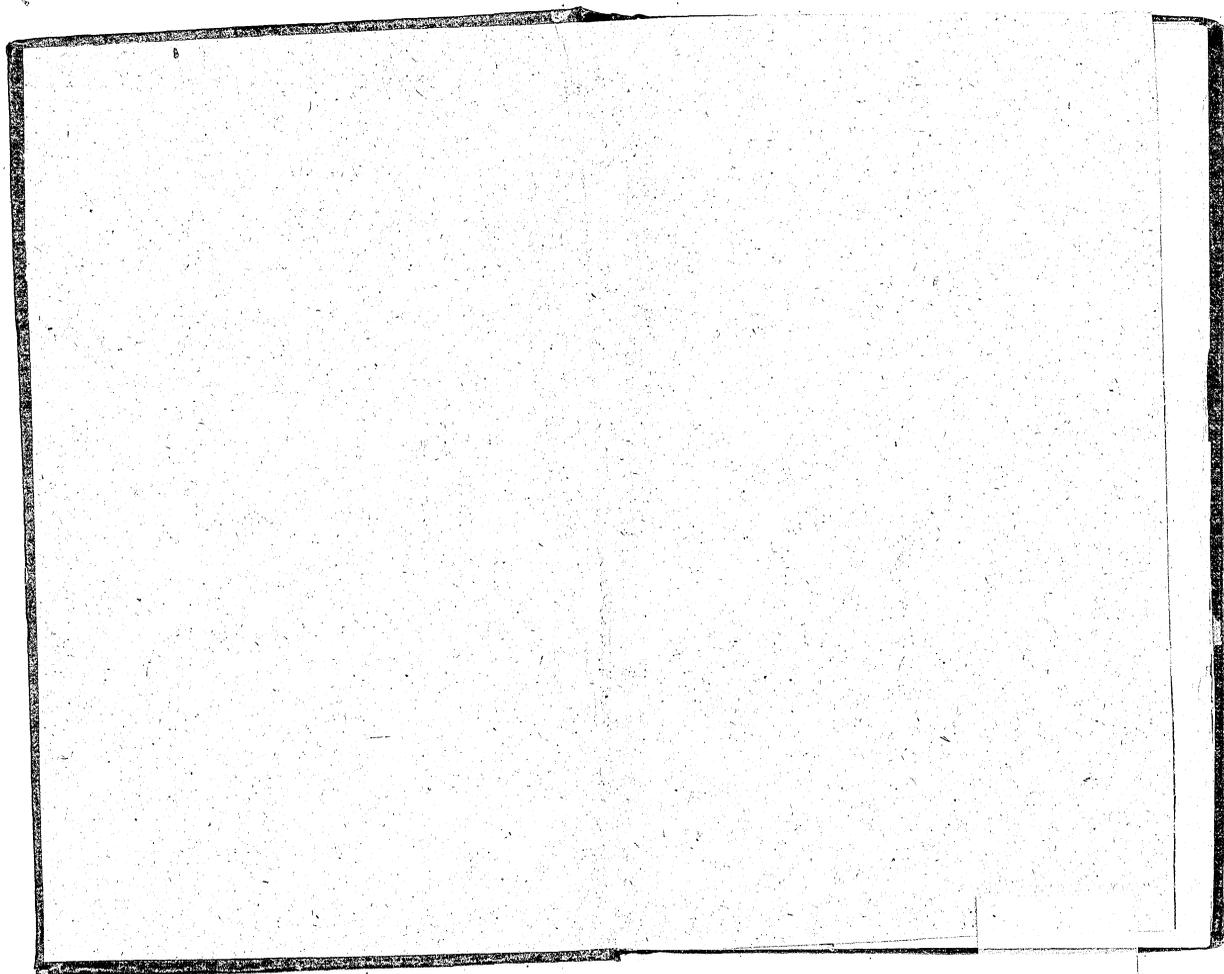
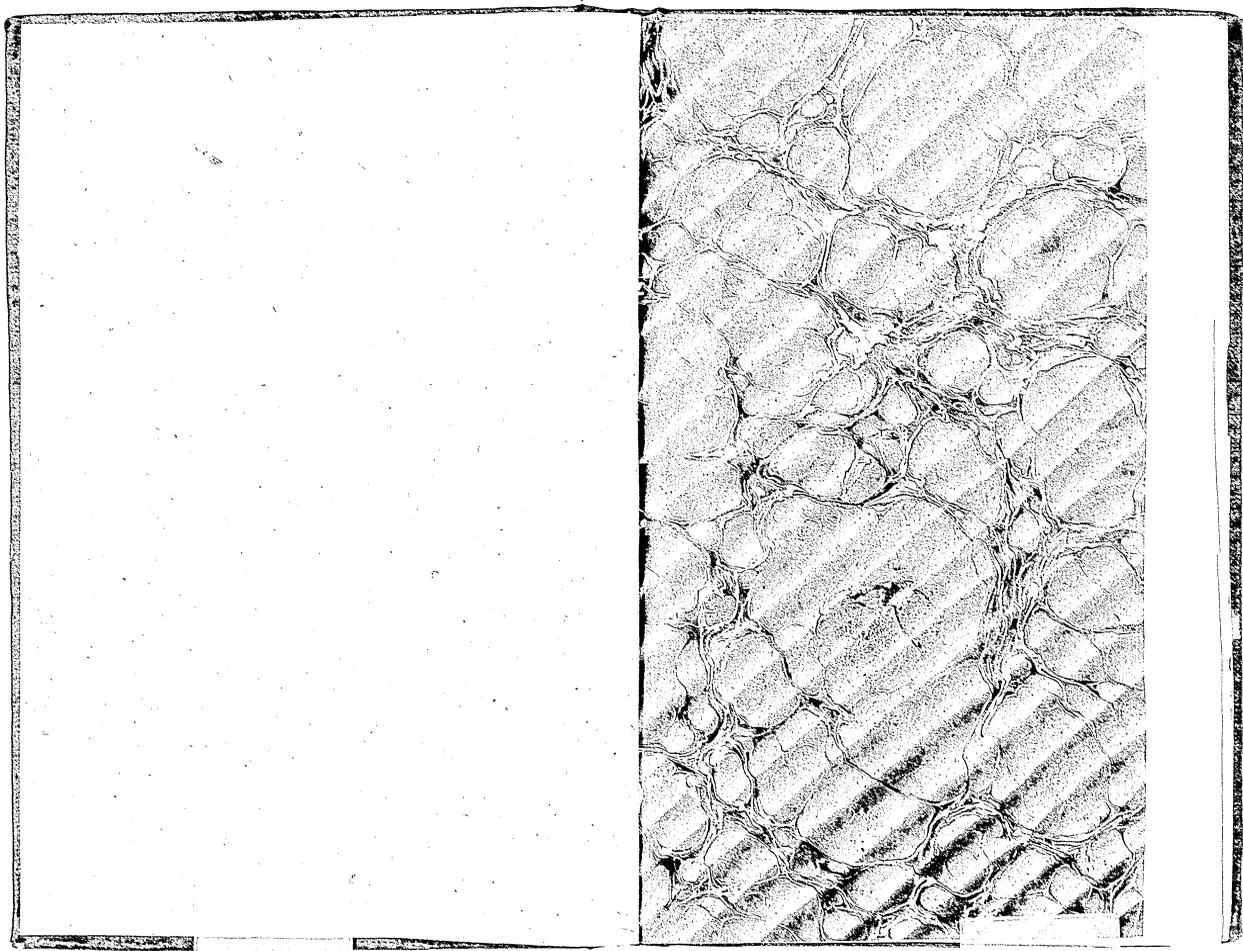


REPORT
OF THE
BENGAL CHAMBER OF COMMERCE
FROM 1ST MAY TO 31ST OCTOBER 1876





REPORT

OF

THE COMMITTEE

OF THE

BENGAL CHAMBER OF COMMERCE.

From 1st May to 31st October 1876.

Calcutta:

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1876.

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*Proceedings of the half-yearly General Meeting
of the Bengal Chamber of Commerce held on
Wednesday the 24th January 1877.*

J. C. MURRAY, Esq., *President, in the Chair.*

The Chairman opened the meeting by addressing those present as follows :—

The most striking feature in the Report now presented to you is, you will no doubt have observed, the fact that the Government has thought it necessary to read the Chamber a lesson on political economy and finance. I regret this the more as I believe the Chamber to have been right and the Government wrong, both in the premisses from which they start, and the conclusions drawn from such premisses. And, first, I may be allowed to remark on the strange contrast exhibited in the views as enunciated by the Home Government, and those put forward in the Financial Resolution of the Government of India. Lord George Hamilton, in introducing his Indian Budget into the House of Commons, following the lead of the *Economist*, defended his policy of doing nothing, by the argument that, though silver had certainly depreciated in Europe, it still retained its normal value in In-

dia ; and our requirements here, by attracting large quantities of it to the East, would restore the equilibrium, and it would, perhaps slowly, but still surely, regain the whole, or the larger portion, of its lost value. The wisdom of the Government was, therefore, to sit still, and allow the natural force of trade to accomplish what active measures in any direction would fail in doing. The Government of India, on the other hand, held the opinion that, "if loans be no longer raised in England, the excess of the exports from, over the imports into, India will not more than suffice to meet the obligations arising from the Secretary of State's demands, and those of private remitters ; and there appears no reason to expect that India (as the Chamber of Commerce anticipate) will be flooded by depreciated silver." The Secretary of State says that, the higher value of silver in the East will attract it in sufficiently large quantities to turn the scale again in its favor ; if we cease to coin silver for the public, we deprive bullion of the value it now possesses, and all inducement to export it into India will be taken away ; we forcibly dam the natural flow eastwards, and, by throwing the current of silver back on itself, we precipitate it still further. The Government of India say, on the contrary, that there is no room for any import of silver into India, as the tribute she has to pay, both public and private, absorbs any balance of trade that

may be due to her. Now, no two statements can be more opposite.

The Financial Resolution then proceeds to argue against the suggestion proposed by the Chamber by putting forth an objection, so startling from its novelty, and so opposed to all the conclusions arrived at by the best financiers of the day, as to elicit our admiration for its boldness and eccentricity, while we are compelled to withhold our assent to its truth. In putting this discovery before you, I cannot improve on the words of the latest pamphlet on the subject :— "In point of fact, silver is just as valuable now as it was when, some years ago, it was quoted at 62*d.* the ounce. It lost nothing of its purchasing power when it fell to 47*d.* It has remained fixed, unchangeable ; the only stable part of our system. Meanwhile, gold has been oscillating in the most unpleasant manner, and has in the end become excessively dear." The pamphlet in question goes on, in language severer than I should use, but still in words worth the remembering :— "The question as to which metal has, by a change in its value, caused a difference in their relative positions, must always be a matter of opinion. But we maintain that the opinion which is to decide, is not that of an individual ruler, however high his position, or however great his abilities. This is a subject on which every one

engaged in trade, or finance, must see a part of the evidence, though no one can grasp the whole. And where we find that every mercantile community, and every civilized Government, each judging independently in its own sphere from facts coming under its peculiar observation, has ascribed the alteration to occurrences affecting one metal only, it is scarcely open to the Indian Government alone to contend that, after all, the difference may be in the other. Now, we find that there is a general concensus of opinion in favor of the statement that it is silver which has fallen in price, not gold which has risen. We have the highest respect for the ability of the gentlemen connected with the Government here, who hold the opposite theory—and they have certainly studied the subject with great care—but they labor under the disadvantage of having to examine a mercantile question while residing outside the mercantile world. Simla is a charming retreat in the hot season; but, hidden far in the recesses of the Himalayan mountains, it is not the best point from which to observe the movements of the markets. We cannot consider an opinion formed by a few economists in such a place as of equal weight with that of the whole world outside."

The theory of the appreciation of gold having been once started, arguments are sought in con-

firmation thereof. Tables, published by the *Economist* in the first instance for quite a different purpose, are put forward to prove that, while values in England, or the gold price, have been declining; values here, or the silver price, have been steady. I said, in the beginning of my speech, that I disagreed both with the premisses put forth, and the conclusion drawn from them. An examination, cursory though it must necessarily be, will show this at once. I am quite willing to admit that no surer test of the appreciation or depreciation of a currency is to be found than in a table of prices of articles; but the test requires to be most skilfully and delicately used. It must embrace all the principal articles; it must be carried through for a series of years; all the surrounding circumstances affecting each separate article must be weighed and considered, and due allowance made accordingly. None of these conditions has been fulfilled in these tables; they are only for a few years back, the enumeration of the articles chosen is much too circumscribed to render any theory built on them of any value at all. The one article of produce that has lately shown the greatest fluctuation is raw silk, the price of which, as we all know, is governed almost entirely by the out-turn of the Italian and Chinese crops. No notice is taken of this, or of the influence exercised. If the influence had worked the other way, the ba-

lance of proof might have gone to show the depreciation of gold, as well as of silver. Carrying my supposition to the article of cotton, had the American crop partially failed, so as to have raised the price in the same proportion, the weight of evidence of the two combined would have been enough to turn the scale; and we might as logically, therefore, conclude that the appreciation or depreciation of gold is dependent on blight in the mulberry tree in China, or the rainfall in Georgia and Carolina.

The Government allow that these tables were published in the *Economist* for a different purpose, and that they have only been taken to illustrate the position assumed; it does not say, however, for what purpose they were originally published. Had this been stated—as it should fairly have been—the argument, so far from making for an appreciation of gold, sets dead against it. The *Economist* published these tables in order to prove its theory that there are cycles of prices; times during which there is a steady rise up to a certain point, and then as certain and steady a decline—an ebb and flow as certain as the tides. It is immaterial to our purpose to enquire whether this theory be correct or not. It is a significant fact, however, that the starting point of these tables is the full flood period of the *Economist*, when, from the natural course of events, a fall

must, according to its theory, be inevitable; and this, too, without reference to the value of the precious metals. This fact has been so far overlooked in the Resolution as to be only noticed in a foot-note; and the reasoning, built upon the foundation of the simple fall in the gold price, without any mention of the facts connected therewith, robs the rest of the argument of all its vitality.

Since this Resolution was published, a strange change has come over the spirit of the dream; the whole scene is transformed; the ebb has ceased, and the cycle of flood has apparently set in. The gold value of most articles of both import into, and export from, India has steadily risen, while rupee prices in India have remained comparatively stationary. If the reasoning of the Government be true, it follows that there has been a sudden and unaccountable depreciation in the value of gold; but I doubt whether even the Government of India, bold though it has proved itself in propounding theories, is prepared to allow this sequitur. If it does not, it is placed on the other horn of the dilemma—*viz.*, that their newly discovered theory is delusive, untenable and to be at once abandoned. There is no escape from one or other of these deductions.

But the question naturally arises, why enter

into all this now, when the silver scare is over, and it has been proved to have been nothing but a scare after all? I am not so certain that the scare, if scare it was, is over; but, in any case, the question lies far deeper than this. The real point at issue is not whether silver has depreciated, or gold appreciated; that may have been the question at first, but it has now assumed rather different proportions: it is this:—is India, with its large, and daily increasing, commercial relations with the great nations of Europe, to retain a different currency to theirs; is she to keep to silver, which they have abandoned; and can she, in this case, hope to preserve her commerce, or to trade with them on anything like equal terms? You will remember—and a reference to the report will prove this—that this was the strong argument used by me on behalf of the Committee, when we brought forward our resolutions for your acceptance at the special general meeting last July. The third resolution was, in deference to the feeling apparent at the meeting, withdrawn; but I did not withdraw it without due consideration, and it was so withdrawn under the full conviction that the closing of our mints to open coinage was *the safe and wise course to be pursued in the uncertainty that then was, and still is, hanging over our heads.* The Government contend that it would be an unwise and impolitic measure to shut out silver from our mints, unless

we at the same time opened our doors to gold. With all due deference to the Government I think they have missed the point of the whole question. They say in fact:—“We should beware of premature action; we should wait to see what will happen; it may be that the market will recover itself after a time.” “We should have supposed that this very uncertainty was the best reason for suspending the right of private coinage. If we grant that, when in doubt what to do, it is often best to do nothing, the proper inference seems to be that we should not coin rupees. To do so, is to take action in a line that may afterwards prove to have been altogether wrong. If, on the one hand, it should turn out that the depreciation of silver is only temporary, and if it should soon recover its old position, the French and Dutch would be able to boast that they had, by wisely closing their mints for a time, saved themselves from all inconvenience; while we would come out losers by many thousands of pounds, frittered away during the crisis under the heading of exchange. On the other hand, should silver fall still lower, we would find an additional embarrassment in every rupee coined. In whatever way we may hereafter have to deal with our currency, the difficulty of doing so will not be lessened by increasing its bulk. This is the view which was taken of the matter by the Finance Ministers of the Continent, who agreed in con-

sidering the suspension of the right of private coinage, under present circumstances, as a conservative measure. In introducing a Bill for that purpose into the French Senate, M. Say observed:—'If the relation between the value of silver and that of gold is destined to experience great changes, it will be our business to seek for permanent remedies: to-day, we only ask that you compromise nothing; that from the position of the *status quo* you pursue the study of facts.' This way of regarding the policy of suspending coinage seems to be fair and natural. It appears a far more statesman-like attitude than that of those who consider our uncertainty as to the future a reason for making sacrifices in the present; who declare that, while we are debating how, and at what cost, we can get rid of a depreciated and clumsy currency, we should continue to add to its already too large dimensions. The suspension of the right of private coinage in India was recommended only as a provisional measure, to be enforced during the period of transition and uncertainty in the bullion market. Indeed, one great recommendation of the plan of restricting the coinage is that it is an open, or, as the French minister of Finance calls it, an *expectant* policy, proper to a season of doubt and uncertainty. It occupies a central position, and forms a good point of departure, whatever the direction in which we may wish to move."

These extracts so clearly represent the position taken by the Chamber that I make no apology for introducing them. To my mind, they prove incontestably that the recommendation was right in principle, even when shorn of its attendant resolution for the adoption of gold, and that Government was unwise in rejecting it. We are not yet clear of our difficulties, and I would again press the point most earnestly on the attention of the Government. If the great countries in Europe forsake the double standard for gold alone, we shall have to follow suit; and the longer we continue our open coinage system the greater will be our future difficulty. Railways and steam, the Suez Canal and the telegraph, have brought India so close to Europe, and our relations with the leading commercial nations are so much more closely drawn together, that the use of the same standard has become every day more and more a matter of necessity. The change in our standard is a question that will, whether they like it or not, force itself on the attention of Government, and the sooner they prepare themselves, the easier will they find the task, when the time for action arrives.

I am sorry to have detained you so long over a single matter treated of in the Report; but the great importance of the subject must be my excuse.

The second subject in our Report is an answer from the Secretary of State to our representation as to the effect on our money market of the method in which *Council Bills on India* were put forward and withdrawn. This was a matter that originated with the former Committee, and was one which was freely spoken of at our meeting in July. The matter has clearly attracted notice, and I hope the dual competition may be avoided, and the amounts regulated more according to the necessities of our markets, to be increased as we require more money (as at present), and decreased as our export trade falls off.

The Customs Act is the next subject on the list. I have been through this, section by section, with Mr. Crawford, with whom I was associated as a Committee, and the joint report was sent in about a month ago. We were, on the whole, unanimous, except on two sections. One of them relates to the oft disputed point as to the right of the Collector in the sale of goods, after he has taken them over under the power given in this and previous Acts. The other point was the responsibility of Government officers in regard to damage to goods in public warehouses. Our views on both these were so opposed that we decided to send in separate reports on them. The matter is now before the Government. Another section and its working in the Calcutta

Custom House was brought very prominently under our notice. The late action at the Calcutta Custom House has certainly been the fruitful source of much annoyance to merchants, inasmuch as they have been put to serious inconvenience and expense in the clearance of even tariffed goods. This was clearly never the intention of the Government in making the tariff; and, as one of the Committee, I should have been glad if I could have taken up the subject. Our labours had reference more to the working of the Act as a whole than as to its practical working in any one individual Custom House; and I felt myself bound, therefore, to put this point out of consideration. It is a matter, however, that is quite within our province to take up as a Chamber, though it was beyond my province as a member of this special committee; and we shall be quite prepared to go into the whole question, if members so wish.

The Customs duty on cotton yarn recommends itself, without further remark from me, to all those connected with the trade.

The Survey of the River and Marine Surveys are two subjects closely connected with each other as to interests. The correspondence on the former will be found of more than usual interest. It shows that the same work, under

proper supervision, can be more efficiently performed at less cost than under the present imperfect system. The question is one that tells so strongly on the well being of the port, that we hope the matter, which has been under consideration so long, may not be allowed to drag, but be carried through. To some it may appear strange that the Committee has written too strongly on the matter of Marine Surveys; but when it is remembered that the subject originated first with the Bengal Government; has been admitted on all sides to be one of urgent necessity; has been pressed on the notice of the Government for four years by the Chamber; and is now as far off completion (and even initiation) as ever; the wonder is, not that we have said so much, but that we have said so little. No other port in British dominions would have submitted to be placed in such a position.

The Merchant Seamen's Act passed at Simla, is the next question treated by the Committee during the half-year under review. It was passed, with an apology, at Simla, but many of the previous Committee's representations have been either overruled in Council, or put on one side. The present Act is only an instalment of the more comprehensive Act which we are promised at a later date. It relates principally to one special point, that of distressed seamen. I

am not for a moment going to dispute the point that this question of distressed seamen, or *loaferism* (for that is the real intent and object of this Act), is one that calls loudly for legislative interference on the part of the Government; but I do say this, that *one* pilgrim ship, allowed to leave this port in an unseaworthy state, throws more responsibility for loss of life on the Government than all the loafer community in the whole year, supposing them to be all distressed seamen, in the strictest sense of the word. What however the shipping interest so much complain of in this Act, is, not that distressed seamen are forced on ships, but, that men who can in no sense be called distressed seamen are so forced on ships, which are bound to take them, without having the time or opportunity given them for remonstrance.

The question of *Jetty charges* is one that very nearly affects a large class of our merchants. That the Port Trust have well and faithfully performed their duties is a point that no one will more cordially assent to than myself, having once been a member of that body. But, while I bear testimony to their efficiency, I must take leave to dissent from the dictum they lay down, that "no reduction is practicable, until the income is sufficient to complete the works." Now, this I take to be radically wrong in principle; revenue

should not be used to augment capital. As the Commissioners say the mercantile interests are fully represented at their Board, I would distinctly call the pointed attention of such of our members as may be on the Board to this essential difference. Increase to block, or completion of works, is without dispute a matter quite apart from current revenue. The former has to be borne by loan; the latter should bear only the cost of working expenses, interest on block, and sinking fund; and this clear distinction between the two I would wish to impress most strongly on those members of the Chamber who happen to be also on the Port Trust at the next revision of the rates.

The Hooghly Bridge, also under the control of the Commissioners, shows a large revenue, sufficient to meet all current charges, as well as interest and sinking fund, without the continuance of the objectionable terminal charge on coal. This is an item which enters intimately into all our local manufactures; and Lord Northbrook assured a deputation which waited on him that the impost would be taken off as soon as it was known that the bridge was self-supporting. The published accounts show that this is now the case; and the Committee felt themselves not only justified, but obliged, to ask for a fulfilment of this promise. Since the correspondence noted in the

Report, the Committee have had a further letter from the Government of Bengal, to the effect that they found it necessary to refer to the Bridge Commissioners again—on what special point, however, we have not been informed. The result of this reference is looked for by us with much interest.

The Railway between Calcutta and Nagpore, and the formation thereby of a direct line between Calcutta and Bombay through some of the richest districts of Hindostan, and its construction on the same gauge as the other main lines, is a matter that, at first sight, may appear small; but its vast importance grows on consideration. The traffic will be so great, and the benefit to the country so large, that it must be apparent that a line on a light gauge, where wagons will have to be discharged and reloaded at every break of gauge, will be comparatively useless. The line must be constructed on the uniform gauge laid down by Lord Dalhousie for all the main arteries of traffic.

Telegraph Rules and the difference of application to messages from England to India, as distinguished from messages from India to England, have again engaged the attention of the Committee. The prospect of an assimilation of the practice, though held out in October last, still

awaits fulfilment; and it is difficult to say, seeing how long it has taken to convince the Department of the present incongruity, how many months we may yet be from such fulfilment.

There are no further subjects in the Report that require any special notice from me. The question of the *New Commercial Treaty with France* has been fully dealt with by the Committee; and, though the subject, looked at from its own intrinsic worth, is of large importance, I have little to add to the representations of the Committee, which embrace, as I believe, all, or, at least, the most important, points necessary.

There is one more matter of some importance and interest which has not been included in the report. We wrote on the 19th instant to the Agent of the East India Railway Company, with reference to the block on the line, the following letter :—

“The Committee of the Chamber of Commerce desire me to represent that very severe inconvenience and losses have been experienced by merchants, in consequence of the check which railway traffic between Calcutta and the Upper Provinces has received during the last eight or ten weeks, and which continues at the present moment to interfere with the prompt receipt and despatch

of merchandise at up-country stations, and punctual delivery at its destination.

The Committee are aware that the block on the line has been caused by exceptional circumstances arising partially from the Imperial Assemblage at Delhi, but principally from the transport of grain towards the famine districts of the Bombay and Madras Presidencies; but the former impediment has been removed, and the latter has probably by this time been materially lessened.

The traffic, however, has not resumed its ordinary regularity, and the Committee are informed that the carrying power of the railway is unequal to the heavy service it has to perform; that the stock of wagons and trucks is insufficient to meet any suddenly increased requirements of trade; and that the locomotive department is unequal to the pressure of work thereby occasioned.

To the delays and irregularities thus created, and which are of very serious moment to the commercial public, there have been added considerable losses by damage of perishable merchandise carried in uncovered wagons, and unprotected from the rain which has fallen heavily all along the line between this and the North-West during the last week.

All these circumstances are, in the Committee's judgment, sufficient to justify the reference they desire to make, with the view to be informed what measures are being taken to admit of un-

interrupted traffic and the full and sufficient supply of rolling stock for its conveyance, as well as to make provision for any similar recurrence of exceptional demands upon the resources of the Railway Company."

The Agent replied to this letter last evening, and acknowledges that the stock is insufficient. I shall read the reply :—

"The Agent very much regrets such of the present conditions as have led to your representation. The accession to the Company's traffic has been exceedingly heavy and sudden, but would not, probably, have been beyond the powers of the Company's present stock of wagons, if it had not been for the long lead of the grain traffic over the lines in Western India and the Madras Presidency, the terms of the working agreements between the Companies obliging each to allow loaded wagons to run through to destination.

At the same time, the quantity of grain brought down to Howrah has been so unprecedentedly great that the resources of the labor contractors have been taxed to the very uttermost to provide coolies to unload and deliver consignments; and there is no doubt there has been great delay in this respect.

The Agent is prepared to admit that the carrying power of the railway has not proved equal to the exceptional demands which have been, and

are still being, made upon it; and an indent is now before the Government of India for sanction to the construction of a thousand new covered wagons of an improved type, to provide against future emergencies of the kind, and for the increasing requirements of trade.

An indent for a proportionate number of additional engines is also in course of preparation.

The complaint that the Company has used uncovered wagons for conveyance of perishable merchandise is hardly consistent with the general object of your letter. These wagons have been used almost wholly for grain, and the Company was glad to utilize any vehicles which were available, even the Engineers' ballast trains, horse boxes, and carriage trucks having been pressed into the service. There would, probably, have been no complaints on this score, but for the unfortunate fall of rain a few days ago.

With regard to the protection of goods at Howrah, a proposition is also under consideration to more than double the present shed accommodation for goods brought down by rail; but this has not yet received the sanction of the Board of Directors, and it is difficult to form an opinion whether, at the present stage of the Company's contract with the Government of India, the Board will be prepared to allow the necessary expenditure.

With regard to the prospects of reducing the

traffic to its normal regularity, I am to remark that the famine traffic appears to have somewhat abated; but, from intelligence just to hand, there is a block of grain at Jubbulpore, and it has been found necessary to suspend temporarily the through booking of grain to Western India.

This will set free more wagons for despatch to Howrah, and a considerable increase in these may, therefore, be shortly expected; and the Agent will be glad if the Chamber of Commerce will call upon the merchants of Calcutta to assist the Company by being prepared to remove their consignments as quickly as delivery can be granted to them."

I now move the first resolution—*That the Committee's report for the half-year ended 31st October 1876 be adopted.*

The resolution was seconded by Mr. J. Horne, and carried.

The CHAIRMAN said :—The second resolution I have to move is a formal one. At the end of the Report, you will see that two new members have been elected by the Committee, subject to the confirmation of the Chamber, and since the publication of the Report two more have also been similarly elected. I have now to move ;—*That the Committee's conditional election of Messrs.*

Got. Bru and Co., Messrs. A. R. McIntosh and Co., Messrs. Carritt and Co., and Messrs. Howe, Goodwin and Cole, as members of the Chamber, be confirmed.

The resolution was seconded by Mr. J. Morison and carried.

The CHAIRMAN said :—There is one other matter to which your attention must be drawn, and that relates to the daughters of the late Mr. George. You will remember that the Chamber gave them some time ago a grant of Rs. 1,000. They have sent us a long list of papers, showing that the late Mr. George was not in a position to insure his life, and they begged that, instead of a grant of Rs. 1,000, we should make them a compassionate monthly allowance. The Committee have considered the application, and recommend to the Chamber the payment to them of Rs. 50 a month during the pleasure of the Chamber. I have, therefore, to propose :—*That the Committee's proposal to grant a monthly allowance of Rs. 50 to the daughters of the late Mr. James George, during the pleasure of the Chamber, be confirmed.*

The resolution was seconded by Mr. Nicol Fleming, and carried.

Mr. W. H. Cheetham then proposed *that the*

thanks of the Meeting be given to the Chairman and Committee for their labours during the half-year.

The resolution was seconded by Mr. W. J. Ker, and carried.

The meeting then came to a close.

H. W. I. WOOD,
Secretary.

BENGAL CHAMBER OF COMMERCE.

Report of the Committee for the half-year
ended 31st October 1876.

The Committee submit their Report on the principal questions which have come under consideration during the past half-year.

DEPRECIATION OF SILVER.

Annexed to the proceedings of the Special General Meeting on the 15th July—which are reproduced here for the sake of ready reference—is the Government Resolution in reply to the action taken by the Chamber. Whether we agree or not with the reasoning adopted in this Resolution and the conclusion to which it has led the Government, the thanks of the mercantile community are due to them for the full exposition of their views and the careful attention they have given to the whole subject. The recent rise in the value at home of most articles of export and comparatively moderate imports have caused a larger balance of trade to be payable to all eastern countries, and this, with a less supply of silver immediately available, has raised the value of the

metal and, with it, of the Secretary of State's drafts. In a short time our brisk season of exports will be over, and it is by no means unlikely that if these drafts continue to be issued on the same scale as now, we may see a reaction and a recurrence, though perhaps in a milder form, of the evils resulting from the dual competition between these drafts and silver.

The correspondence on this subject with other Chambers is annexed.

From Chamber of Commerce to Govt. of India.

Calcutta, 22nd July 1876.

There was a Special General Meeting of the Members of the Chamber held on Saturday last to consider what steps should be taken in the present state of the foreign exchanges and of the depreciated value of our currency in this country. I have already forwarded to you a copy of the two resolutions that met with almost general approval, and you will no doubt have seen the report of the discussion that took place, and the arguments that were adduced in support of the resolutions; the Committee need not therefore go over the same ground again, but will confine themselves to calling your attention to the following additional remarks relating thereto.

As regards the first resolution; the Committee, on a former occasion, (4th April 1876) addressed the Government urging the appointment of a local Commission to enquire into the question of the depreciation. This request was refused by the Government, as there did not, to their mind, exist any special or peculiar facilities in

India for the investigation, and as a select Committee of the House of Commons had been appointed in England for this purpose, there did not seem any present necessity for such a local Commission. Since then, not only has silver still further depreciated, but the loss by exchange to the country on the Secretary of State's drafts has become so serious, as must, the Committee feel assured, have caused grave anxiety to the Government. Provision was made to meet the loss, at Exchange of 1s. 8½d. by throwing on to a sterling loan of 2½ millions, the cost of public works to be undertaken during the year. The Secretary of State has borrowed 4 millions; but whether this additional sum is to repay the amount he had to disburse during the time that his drafts were suspended, or to provide for the further heavy loss not contemplated in the Budget, the Committee have no means of ascertaining. Though the last drawings have gone at a higher rate than previously, it is by no means certain that the advantage will be maintained in subsequent drawings. In fact, from reliable information received by the mail, yesterday, we learn that the yield of silver from the Nevada mines is likely to be largely increased, and that, notwithstanding the demand from the American Government, a considerable amount will be shortly placed on the London market for sale. Under these circumstances it seems probable we shall see the rate decline again. The Government are, independently of this, still threatened with a heavy loss, against which no provision has been made and which they can only cover by increased taxation. The Committee fully recognize the difficult position of the Government all this time, and they have been unwilling to press the matter till now; knowing that the Report of the House of Commons' Committee would be soon

published, and the Government would then probably have some more reliable data on which to frame their course of action. The result of this Report has already been telegraphed to India, and by next mail we may expect to receive the full Report. The Indian Budget will also be immediately introduced into the House, and the Government of India will be soon, if they are not already, in possession of the Secretary of State's views as to the proper course to be pursued in this crisis. The Committee of the Chamber venture, therefore, to express a hope that His Excellency the Viceroy will, in the interests of Commerce and of the country generally, accede to the prayer of the first resolution, and make public the intentions of the Government. The uncertainty that has hitherto shrouded the action of Government has been attended with serious consequences to merchants and bankers, and will so continue to attend their transactions as long as they are kept in ignorance of the course of action the Government propose to take. This is not, the Committee feel assured, a condition of things the Government have any wish to perpetuate, and they, therefore, with the more confidence, ask the favorable consideration of the Government to the request contained in the resolution.

The second resolution relates to the suspension of the clauses of the 2 Acts of the Government of India making it obligatory on the Mints and Currency Department, the one to receive and coin for the public all the silver tendered to them, and the other to issue currency notes for all silver bullion brought to it. There is a further clause to this resolution, declaring it illegal to import coined rupees into India from any foreign port during the time of such suspension. The object of this resolution is not

to prohibit coinage altogether, for that would be likely to bring about a collapse of credit; but to place all coinage in the hands of the Government to be exercised at their discretion. This is the course adopted by all the States of Europe in self-protection, and it appears to the Committee not only a wise and reasonable, but a necessary, precaution for the Government of India to take for the preservation of their own currency and to support the credit of their own loans, as well as to prevent the country from being swamped by silver sent in by foreign nations. To this latter danger we are in India as liable as they are in France, Belgium, or Holland, and the Committee know for a fact that enquiries have been made as to the mint out-turn of bar silver to be sent here from California. Some of the Exchange Banks have also been offered large sums, considerably below the market rate, so as to tempt them to buy it in preference to taking the Secretary of State's drafts. This competition between the Council drafts and silver has resulted in heavy loss to the State on the one hand, while it has, on the other, enabled the holders of silver to obtain at our expense, and in consequence of our Coinage and Currency Acts, a higher price for it than they would otherwise have got. India and China, by the action of the European States, are now the sole markets for silver, and it appears to the Committee a suicidal measure for the Secretary of State to place the rupees he has to sell in competition with the bar silver of other nations, when and as long as they have the power to pour this silver, by act of our own legislature, into our own mints and claim coined rupees in lieu thereof. This resolution, therefore, while it gives the Government full power to accept bullion in order to main-

tain the circulating currency at its full efficiency, or to import its own silver for the same purpose, will prevent outsiders from *demanding* the receipt of their bullion and its conversion into coin by our own act, which we have at present no power to prevent their availing themselves of. Except that the action recommended by the resolution has been misunderstood, the Committee cannot see any valid reason against its immediate adoption by the Government. The objections brought against it—which the Committee will not weary the Government by repeating—appear to have been based either on a misconception of its real scope, or on abstract ideas, whereas the position of affairs is altogether exceptional, and ordinary rules do not apply. But further, the Committee do not recommend any more stringent steps (in fact scarcely so stringent) than the first financiers in Europe have found it necessary to adopt.

The Committee are aware that bar silver has lately risen in value, but they do not look upon this as permanent; they regard it rather as one of those violent fluctuations that have lately been so common; the price within only a few days fell from 49 to 46 pence per oz., and has now risen to 49½d., and this without there having been any transactions of moment in the article. These fluctuations cause a corresponding rise or fall in our exchanges, rendering it impossible for merchants and bankers to regulate their transactions, and thus disorganizing trade. The moment our Mints here are closed, these violent alternations in price would cease and exchanges would become steady. The fact that the Government of India can by their own laws be compelled to put their mint stamp to all silver sent here, has given an

artificial and fictitious value to silver, which would cease as soon as the law is suspended. Bar silver would then gradually fall to its own intrinsic value, and the extent to which it is depreciated would be soon gauged, whereas now it is impossible to say how much its value is appreciated by our present "open coinage" system.

When all Europe is closing its doors against the import of silver, with the avowed object of having as little of the metal as possible, should the depreciation be found permanent, it seems most impolitic to keep ours wide open for the reception of an unlimited quantity, costing the country through our coinage laws far more than its real intrinsic value. The only objection to the closing of the Mints to indiscriminate coinage, outside abstract principles (ignored by other States), is the danger of smuggling from abroad and false coinage in the country itself. The first can be stopped by a more vigilant Customs Service. There will be what is popularly called "pocket smuggling," but it cannot be to any large amount and may be practically disregarded. The Exchange Banks, who are, under ordinary circumstances, the largest importers, will not lend themselves to any act involving a breach of the law. The second objection as to native coinage is one that may be dismissed with very little remark. The appliances at the command of natives are too poor and clumsy to make any forgery of this sort capable of being long practised without detection.

There was a third proposition put before the meeting recommending the adoption of a Gold Standard, which, in deference to the feeling apparent among members present, was temporarily withdrawn. The Committee will not

therefore intrude their own views on the Government, but will simply refer them to the debate thereon.

*Proceedings of a Special General Meeting of the
Bengal Chamber of Commerce held on the 15th
July 1876.*

J. C. MURRAY, Esq., President, *in the Chair.*

The PRESIDENT, in opening the meeting, said: Gentlemen,—We have asked you to meet us here to-day to consider if any, and what, further steps should be taken with reference to our circular regarding the introduction of gold and the change of standard. But before I enter on the subject, allow me, both for myself and on behalf of the Committee, to thank members for the readiness, and, in some cases, the fulness of their replies. These thanks are none the less sincere that the replies are in the majority opposed to the propositions put before you by us.

It is not necessary for me to enter at length into these replies; they have been inspected by most of those here present. One objection—and I am free to confess a well-founded objection—has been brought against our circular, namely, that it is not full enough, does not enter sufficiently into the question; and any representation to Government, to have weight, must be supported by stronger arguments than are used in this circular. It must be remembered, however, that the circular was addressed to those who have, at least, a practical knowledge of the probable effects of any measures that might be put before them. Any lengthened argument in support of our views might have had the appearance of an endeavour to pro-

cure converts, whereas our sole object was to elicit opinions, even—as has proved to be the case—if they were adverse to our own views. It is only by such free and open expression of ideas that the real truth can be arrived at. Whilst I thus give our reasons for having avoided discussion in our circular, I fear we have carried the feeling too far, and have sacrificed clearness to brevity. For instance, the words “without loss to Government,” are characterized as erroneous, for the process of introduction will, it is said, be both tedious and costly. Now, though I have heard it urged that the conversion from silver to gold *can* be managed without any loss, I do not believe that it can be otherwise than that Government must, if they adopt this course, be prepared to face some outlay. But in writing this circular, we were looking at the question as a *whole*, and we considered the ultimate gain and benefit to Government would recoup them for this first, initial loss. Our meaning would have been better expressed had we said “without any *eventual* loss” to the Government or the country. In another point, too, the introduction of a single word would have made our meaning clearer. If gold is to be introduced, it follows of necessity that the mints must be closed for coining of silver. Germany, and Holland also, have had to do this; it has been ruled at home (as evidenced by the correspondence a few years ago between Colonel Tomline and Mr. Lowe, then Chancellor of the Exchequer) that the mint is not bound to coin silver for individuals; the States composing the Latin convention, who still nominally adhere to the silver standard alone, or use the double standard of silver and gold combined, have been forced to limit their coining of silver by legislative enactments within such narrow limits as will *only* just.

provide for ordinary absorption. The reason for this closing of mints against indiscriminate coining of silver is to protect themselves from disappearance of gold by export, and an inundation of the cheaper metal to take its place. It is no reverting (as one of the answers we have received says) to the practice of the dark middle ages, but is a necessary precaution that the wisest financiers of the present day have been forced to adopt in self-preservation. In India we are as much exposed to the danger, as they are in France, of having spurious coin imported to us from abroad. By "spurious" I do not mean *bad* rupees, but rupees of full weight and fineness, which would be poured in among us from abroad, where they would be coined, and whence they would be sent to this country. There would be an additional strain on the Government, who would have to call in all this extra coin, if they elect to adopt the gold standard, and pay for them the same price as for their own genuine rupees. Even if the gold standard be not adopted, the same "temporary" measures would have to be adopted as preliminaries to any final steps that might be decided upon. The addition of these two words "eventual" and "temporary" will make the meaning of the circular more clear than it is apparently now, and it is a matter of regret to me that any verbal inaccuracy on my part should have made obscure what was clearly present to our own minds.

One or two of the answers we have received are either opposed to any change, or decline to co-operate, but assign no reasons; others deprecate hasty action and counsel delay; it is premature, they say, to open the subject now, till we have had fuller information to go upon, until, at least, we have the report of the House of Commons'

Committee lately sitting; when we have fuller information, then act. Our Government are quite able to protect themselves, and we should only view this as merchants and traders. Most of these are so linked in together, and are built upon the same foundation to so great an extent, that it is difficult to separate them. It is true that the Government are quite able to protect themselves, but it does not appear that they have any fuller or further information than merchants and bankers possess: indeed, it may well be doubted if they have as much. And it appears to the Committee the exercise of the highest function of the Chamber to place their practical knowledge and fuller information at the disposal of the Government, to enable them to shape their course safely, whereas now they appear to be groping their way in the dark. A vast question embracing, as it does, points of great importance, not only to our political, but to our commercial, prosperity as well, will need careful and long deliberation, before it can be so fashioned into shape as to be fit to be presented to Government as the result of our combined action. It is for this reason, and at a time when there is a lull, as it were, in the supply of silver from California, that the Committee have chosen the present as a fitting time for the consideration of the subject; and with the same object in view, they have invited an interchange of opinions with the sister Chambers of Bombay and Madras. Before our deliberations are more than just begun, we shall have the result of the House of Commons Committee, and further information collected on the spot by the representation of the French Government, who has been deputed to the California mines for the purpose. It seems to us to be the most fitting time to initiate and organize an enquiry of this kind, and it was with this object, namely, that of

collecting and collating views, however divergent, that the circular in question was issued to members. Their views, as shown by the replies, do not accord with those of the Committee, and they are quite as much at variance with each other.

Since this circular was issued, we have had telegraphed to us the heads of the finding of the House of Commons' Committee, and some of the daily papers have published the text of the first report of the French representative to the mines. The one gives, among other reasons for the depreciation of silver, the enormous yield of the new California mines; the other seems to run this down as only a party cry, and attributes the depreciation entirely to the influx of German silver at a time when the Eastern trade is at its lowest ebb. There is as much divergence in these views as in those presented to us in the answers we have received. The French representative has, however, hazarded a statement as a certain deduction from his views, which subsequent facts have proved to be wrong. Writing on the 12th May, when silver was 53½ per ounce, he gives it as his decided opinion that it cannot go any lower. It has gone lower, and the last quotation is as low as 48 per ounce, or a decline of 10 per cent, under what he considered the bottom of the fall. I only allude to this to show how difficult is the subject, and how careful we should be in forming a conclusion as to the real extent of possible decline, or the real increase in the yield of silver. One point, however, must be clearly kept before us in all our considerations on the subject, and that is, that as the silver yield increases so does the yield of gold. My own advices some months ago placed the outturn as 60 of silver and 40 of gold; Colonel Berton places the same

figures, or nearly so, namely, 57 and 43. We arrive therefore, at one fact, that as silver increases, gold, in like manner, does not lag behind. Knowing this, previously, was certainly an additional inducement to me to press the adoption of gold as a legal standard on the attention of members.

But independently of all this, and looking at the question on its own merits entirely, I do not see what other result there can be than widespread distress and ruin by adhering to our present policy. It has been allowed by all authorities on the subject, that the depreciation of a nation's currency is a grievous evil; and one of the latest writers on the subject says, there is nothing short of conquest or slavery that is so fatal. Without going so far, it must, I think, be admitted that any depreciation of moment or of long duration must be detrimental to the advance of any nation; foreign capital will not flow into her; her native industries will languish; her loans, if she happens to be, as India, one of the internationally indebted nations, will fall in general estimation, so that she must perforce relinquish all works of improvement that require the employment of borrowed capital; prices of all articles, even those of the necessities of life, will rise, while her power of purchasing in foreign markets what she cannot herself produce will fall even more rapidly, till at last she sinks down into abject pauperism unless active and energetic measures are taken to arrest the downward course of depreciation before it be too late. In India we have especially to bear in mind two facts; first, that while we are large exporters of the raw material, we manufacture very little for our own use, and have to import much of what we require; secondly, that the

Government, with its almost inelastic revenue and its resources already taxed to the utmost, can only meet the cost of works of improvement by borrowing. How long and how much will they be able to borrow, with their credit diminished by depreciation, is a question that I hope it may be long before they require to put to a practical issue.

Cheap silver and cheap money, it is argued, is a positive gain to the country; the masses will have larger means, and anything that increases the wealth of the people must of necessity be an advantage. I confess I do not agree with this argument at all, if the increased wealth is measured by a depreciated currency. I fail to see how, with the purchasing power of the rupee reduced one-half, a man will be richer in the possession of two rupees, where he had only one before the depreciation. Nor will the stimulating of exports prove of ultimate advantage either to the producer or to the exporter. They will both at the outset, no doubt, make profits, but you cannot stimulate exports beyond the power of the consuming country to take off, without lowering prices there, and the rise of prices here will soon check such exports again, for, if continued, the exporter will find himself face to face with a heavy loss on his shipments. In other words, large exports will inevitably bring about a fall in, what I may call, the gold price, while this very stimulation of exports, coupled with the diminished purchasing power of the currency, will cause a corresponding rise in the cost or rupee price. Our exports must therefore decrease or stop, till the two prices more nearly approach an equilibrium. I have touched briefly on the effect of our depreciated currency on our export trade, in order to

remove the erroneous impression that has found utterance in some quarters, namely, that the circular from the Committee, and the proposals therein made, were worded in the interests of imports only, without regard to the effect they might have on our exports. No such motive actuated our conduct; we issued our circular and put forward our views in what we considered the best interests of merchants in general, as well as of the Government and the country at large.

It is doubted by some, and Colonel Berton's first report lends color to the doubt, whether the production of the Californian mines has not been grossly exaggerated; that we are troubling ourselves unnecessarily about a matter of only temporary duration, which, be the time long or short, will come to an end. It is a significant fact, however, that since our circular was issued, and with Colonel Berton's first report before them, the French Legislature has stopped the coinage of their 5-franc-pieces, their sole legal silver tender. And it is believed by the mint authorities at home that other European States are likely to follow suit. This, I say, is significant; the States of Europe, who still have silver, are taking early and prompt measures to guard themselves from the dangers of an influx of this cheaper and more abundant metal, while our Government, whom it most nearly concerns, makes no sign. I do not say they are insensible to the evil, but they have evidently no sure or certain chart by which to steer their course, and, as I have said before, I think the first and highest duty of the Chamber is to place their views on so important a subject at the disposal of Government for their information.

Such, gentlemen, are my remarks as to the reason of our issuing the circular, on the replies we have received, and on the general question. I shall now move the first resolution, which is—

“That the continued depreciation in the value of silver is a question most seriously affecting the political and financial interests of the country, and that, in view of its very great importance, the Committee be requested to address the Government, in order to obtain such information as they may be able to give in regard to the policy which they propose to pursue under the circumstances.”

This resolution, you will observe, is drawn in very general terms, so as to admit of all joining in its acceptance, no matter how different their views may be on the rest of our circular. Any remarks you may wish to make at this stage, I will ask you as a favor to confine to the resolution itself, leaving discussion on the whole question for the time when our further resolutions are brought forward. I am anxious to secure some practical result from our meeting to-day. If we can only get this present uncertainty put an end to, it will be a great gain to all branches of our trade, and I earnestly hope, therefore, you will give this resolution your unanimous support.

Mr. CRAIK, in seconding the resolution, said that he trusted it would be passed by the unanimous vote of the Chamber. From the remarks which had fallen from the Chairman, it was evident, he said, that much difference of opinion prevailed in regard to the steps which it was desirable for the Government to take in the present crisis,

and he could also understand that the personal interests of some were, for the moment, so favorably influenced by the depreciation in the currency, that they hailed with satisfaction the apparently inactive policy of the Government; but he contended that to all alike the extreme uncertainty as to the future, which prevailed, and the consequent violent fluctuations in the exchanges from week to week, must be a source of unmitigated evil, and as he understood this resolution, it did not bind the Chamber to any opinion in regard to the policy which ought to be pursued, but merely gives expression to the interest taken in this question by the commercial community, and urges the Government to remove as much of the uncertainty which surrounds the subject as it is in their power to do. As illustrating the manner in which the crisis had been aggravated by the reticence of the Government, he referred to the Council bills offered for sale in the London market. He pointed out that, from fortnight to fortnight, much anxiety was felt as to the course which the Secretary of State would pursue in regard to these bills, and to show that there was good ground for the anxiety, he referred to the undecided policy which had been pursued by the Government in at one time refusing all the tenders made for these bills, at another time accepting some tenders and declining others, while again, on other occasions, the whole of the amount had been allotted at the best rates offering. He considered that it was the bounden duty of the Government to have taken the public into their confidence in this matter, and to have given them some indication as to the course they proposed to adopt with these Council bills. Had this been done, there could be no doubt, he thought, that a great deal of

the uncertainty which existed would have been prevented, and it would have been possible to have entered into transactions on something like a firm basis. Should there be any who thought that the Chamber was asking too much from the Government, he would ask them to consider what would have been the state of matters had a similar crisis affecting the whole population of Great Britain occurred. They all knew that under such circumstances the Government would have been flooded with questions in both Houses of Parliament, a whole library of papers and blue books would have been placed at the disposal of all enquirers, and he was very much mistaken if the force of public opinion would not have elicited from the Chancellor of Exchequer of the day an indication of the policy which commended itself to the Government. In this country, unfortunately, they had no House of Commons, and, as some assert, no public opinion either; but even if that were so, he did not consider that he should be placed on less advantageous terms than our more favoured fellow subjects. He therefore trusted that they would go up to Government as a united Chamber, and if they did so, he was confident that they would obtain such information as would enable them to come to some conclusion in regard to the probable course of exchange in the future.

MR. SIMPSON said: Mr. President,—The resolution before you has been so ably proposed and seconded, that there is very little, if anything, left for me to say. I must, however, remark that we are all very much indebted to the Committee for the action they have taken in this matter. The state of uncertainty of which we complain may have been of advantage to some persons, but

to the general community the loss has been an exceedingly serious one—far more even than has been estimated. Referring to the fortnightly allotment of Council bills, the subject of which has been so ably touched upon by Mr. Craik, I would just draw your attention to what I cannot help calling the extraordinary conduct of the Secretary of State, who, so far back as February last in the height of our active season, refused tenders at 1-9, reduced his drawings, and thereby caused extreme pressure in our money market. After our busy season is over, these drawings are increased to £700,000, fortnightly, and we find him now accepting the ruinous rate to the country of 1-6½. There can, I think, be no doubt that the action of the Secretary of State has greatly aggravated the present condition of matters, and the result has been a serious loss to India. Indian loans are quite in disfavor now. There is no market for Indian securities in London, and in Calcutta the evil has been averted simply by large purchases made, it is said, on behalf of Government. The effect of all this uncertainty will be to drive English capitalists away from this country, for we cannot be certain whether a rupee will be worth 1s. 6d. or 1s. 4d., and therefore, I think, we should give our hearty support to the Committee in their efforts to have this question settled. I know that considerable difference of opinion exists as to how this should be done, but in speaking of the condition of affairs as they are now, I must say that had the Secretary of State exercised more discretion in placing Council bills in the market, I do not think the state of things would have been as bad as they are at present. The Committee should therefore, in their communication to Government, refer most particularly to the past action of the Secretary of State. My own opinion

is that the subject of placing our currency on a more certain basis of value is one so great and vast, that nothing short of a Commission being appointed to investigate matters will be able to deal with it effectually, and the Commission should be one not only to enquire into the causes of the heavy fall in exchange, but also to enquire into the finances of India, and the financial position of India. I think, too, that a rigid system of economy should be introduced in the Home charges, but I am afraid if this matter is referred merely to the Secretary of State, it will yield no fruitful results. What we want is an independent expression of opinion, and that can only be obtained by the appointment of a Commission. I trust, therefore, the whole Chamber will unite with the Committee in pressing these points on the attention of Government.

The resolution was put to the meeting, and carried unanimously.

The PRESIDENT then said: The second resolution I have to put before you relates to the temporary suspension of coinage of silver for the public, and, as a consequent measure, the prohibition of the import of coined rupees from foreign ports.

By Act XXIII of 1870, the Indian mints are bound to receive all the silver tendered to them for coinage, and by a subsequent Act III. of 1871, the Currency Department is bound to issue notes, immediately convertible into coin, for all silver bullion tendered to it.

One of the answers to our circular, agreeing with our

suggestion, puts the real reason in a few words. It seems hard and inconsistent that while silver is cheaper and falling everywhere, the Government should be obliged to receive and coin it just as before. This hits the very heart of the matter. India, by keeping to a silver standard, elects to receive all balances of trade that may be due to her in a currency which the leading nations of the world are abandoning, and by receiving the bullion and issuing it again with the mint stamp on it as rupees, she is deliberately lessening the value of her own investments; for such is the real result to the country of such payments of balance of trade. It follows of necessity that the larger the balance of trade to be paid to her, the more will the value of silver in the paying country be enhanced, and India, by her own conditions of trade, will raise the price of the metal she has to receive—a metal too, it must be remembered, that she cannot use in her exchanges with other nations. The more prosperous her trade and the larger balance to be paid to her, the larger will be this inconvertible investment forced on her, whether she wants it or not. If other nations do consent to take her silver, it will be at their own, and not at *her*, valuation; in her external relations, it will be the world's estimate of her own elected standard, and not her own, on which she must stand or fall. If she is to deal for the future on equal terms with the other large commercial countries of the world, she can no longer, in safety to herself, consent to continue to receive payment of debts due to her in a commodity which she is unable to use with other countries who may happen to be her creditors.

There is another danger. A continued settlement of this balance of trade means, as I have said, a continued

investment on behalf of the country in silver, and, consequently, a continued support given to it in the markets of other countries. Any over-supply of the metal she has taken as her standard will jeopardise her position. However much these increased supplies may have been exaggerated, the very fact of demonetization of silver in all the great commercial countries of the world is pregnant with danger to her, as long as she allows all nations to pour in their silver to her mints, and makes it obligatory on herself to issue coin, or notes convertible into coin, in lieu thereof. The danger that is threatening us is that we may be made the receptacle of all the useless stocks of the world's old silver, as well as the greater portion, if not the whole, of new, daily-increasing, fresh additions from the mines. Such are the reasons which prompted our "temporary expedients," as put forward in our circular, and which I now propose for your acceptance.

Before I put the resolution to the vote, I must ask your indulgence while I glance for a moment at two objections, which have been brought forward, and which appear to me to be worthy of consideration.

The first objection is, that it will cause an artificial contraction of the currency, make money abnormally dear, and bring on a panic through the length and breadth of the land. This might possibly be the case if we advocated the closing of the mints altogether. But we do nothing of the sort; we simply urge the absolute necessity of closing them for a time for indiscriminate coinage. The internal silver currency of the country will need constant replenishment, and it will be still open to the Government to coin their own or foreign silver tendered to them.

for this purpose. It is one thing to coin silver when required, and quite another thing to have it forced on us, whether we like it or not. It is one thing to leave the Government free to coin, and quite another thing to make it obligatory on them to place their mint stamp of currency for an outsider on depreciated metal, and then to compel their own subjects to receive this depreciated metal at a higher intrinsic value than it possesses, beyond their own territory, to the outsider himself.

The second objection is, that a stoppage of coinage will lead to distrust, and cause a rush for encashment of currency notes. I think more is made of this objection than it really deserves. To quote from the answer to which I have already referred, I should say this danger is not imminent, nor is it one that cannot be guarded against. It is not imminent, for the use of currency notes in large commercial transactions, and as a means of remittance into the interior, has grown into, and become part and parcel of, our internal commercial relations to so great an extent as to render it very difficult of eradication. The natives may be very conservative, and they are naturally distrustful of any change which they are unable to understand in all its bearings: but they are at the same time eminently practical, and are not likely to give up a means of economical utility for a mere idea. That there may be, at first, some rush for encashment of notes, I am quite prepared to admit, but as the letter to the Committee I have referred to, says, it is not so great a danger as cannot be guarded against; nor is it one that should, I think, be allowed to weigh in the balance with the larger dangers we wish to be protected from. But we have positive proof of the groundlessness of this fear.

The Commission appointed in this country in 1866 to enquire into the working of the Currency Act, after careful inquiry from district officers and natives themselves, give it, as one of the points firmly and generally established, that the introduction of gold would facilitate the establishment of the currency notes.

I therefore move "that the Chamber approves of the suggestion of the Committee that it is expedient, in view of any ultimate measures that the Government may adopt, that Clause 19 of Act XXIII. of 1870, making it obligatory on the mints in India to receive all silver tendered for coinage; and also that Section B. of Clause 11 of Act III. of 1871, making it obligatory on the Currency Department to issue notes against silver bullion sent in, be temporarily suspended at the discretion of Government. And that during such suspension, or till further notice, it be not lawful to import coined rupees from any foreign port."

Mr. WINDRAM said that he had great pleasure in seconding the resolution; but before speaking to the subject of it, he desired to express his opinion regarding the proposal for a gold currency referred to by the President. He was of opinion that under existing circumstances such a measure was impracticable, if not impossible. It should be remembered that India had contracted a rupee or silver debt of upwards of 100 millions, and that all her revenue was payable in that coin. She already had to provide about 15 millions in gold every year to pay interest on sterling loans and railway capital, and the other Home charges connected with her administration. None but the richest countries, such as England and

France, could afford to maintain a gold currency, and at the present moment England was the only one paying in that coin. The attempt on the part of Germany to introduce a gold currency was yet far from being accomplished, and there were many who still believed that she might be obliged to retrace her steps. It would be well, therefore, for India to pause before attempting such an undertaking. He was of opinion that our silver currency was well suited to the internal requirements of this country; but whatever the ultimate result might be, there could be little difference of opinion as to the advisability of adopting the protective measures referred to in the resolution, while the present disturbance in the silver market continued. It seemed to him that it was great folly on the part of this country continuing to receive all bar silver tendered for coinage at a charge of about 2 per cent., while every other country had either declined to receive the metal, or had restricted its coinage within certain limits. Now, what had been the action of the Indian Government? They had actually allowed their Council drafts, which represented coined rupees in the treasuries in India, to be placed on the same footing as bar silver, and the result had been a dual competition between Council drafts and bar silver, causing the most violent fluctuations in exchange, which were calculated to do most serious injury, and could not eventually be beneficial to either importers or exporters. The greatest amount of gambling in exchange had been going on, and we had seen merchants scrambling to buy their exchange for six months in advance. That was a state of affairs loudly calling for a remedy to place, if possible, exchanges on a more settled basis. But not only had we placed bar silver on the same footing as Council drafts, we had also placed

it alongside of our rupee securities in London, of which there were held there about 15 millions sterling, and the result had been a disastrous decline of about 30 per cent. in their value, representing a loss of principal of close on 5 millions, ruining the credit of the Indian Government in London, and causing most serious loss and suffering to the holders of their rupee securities. Had they adopted the remedy which the resolution proposes, a great portion of this loss and disaster might have been avoided. The truth was, we had been for a long time at the mercy of the Germans and their demonetized silver. They had been most reticent regarding it, and had declined to inform us how much they would have to dispose of, or how and when they proposed doing so. Some people said—stop the Council drafts; but why should we do that, in order to allow Germans and Americans to get a higher price for their silver? Others advocated a large loan in London, with the object of buying up the German silver. He would answer, why increase India's sterling liabilities to relieve Germany of her stock of demonetized silver. We should do nothing of the kind, and if the remedy, which this resolution proposed, were adopted, we should at once see that the disastrous competition, which had been going on between Council drafts and bar silver, would cease, and if India wanted and required the German or American silver, she would get it at *her* price, not *theirs*. We did not ask for the stoppage of the coinage, but simply that the Government, as in England, will take the coinage into their own hands, and cease coining for the public. If this were done, we would soon see a very different state of affairs: the sterling value of the rupee would improve, and our exchanges would not be subject to the violent fluctuations which we had recently

experienced. With these remarks he cordially seconded the resolution proposed.

Mr. E. C. VAN CUTSEM said: Mr. President and Gentlemen,—I have listened with much interest to the arguments which have been advanced by Mr. Murray and Mr. Windram in favor of the resolution that Government should be respectfully recommended to stop the coinage of rupees on private account, and to prohibit the import of coined rupees into the country. I agree with every word which has fallen from Mr. Windram as to the inadvisability of any attempt to introduce a gold currency into India; but I cannot coincide in his views regarding the expediency of stopping the coinage of silver on private account, or in any way interfering with the free trade in bullion. I strongly deprecate any such measure, and think it would be productive of very mischievous consequences.

As a first step in the examination of this question, it may be useful to consider what constitutes the standard money of a country—the only money employed in its exchanges with foreign States; for I think that much of the confusion so often observable in the discussion of such questions arises from a neglect, or misapprehension, of the first principles of Political Economy.

In the *Statesman* of this morning, for instance, I find the following extraordinary passage in an article on the currency:—

“Silver is now plainly falling, and dragging our currency down with it. Well, break all connection between

the two; so that European silver becomes one thing, and the Indian rupee another."

Now, it would surely have been impossible for any one to write in this way, if he had remembered that the rupee is the standard money of India, and considered what constitutes standard money. It is, I believe, a principle laid down by all authorities on currency, from Adam Smith down to Mill and Jevons, that standard money must be of the same, or very nearly the same, intrinsic value as the metal from which it is coined.

Professor Jevons, in his useful little work on money, writes as follows:—

"We must distinguish between coins according as they serve for standard money, or for token money. A standard coin is one of which the value in exchange depends solely upon the value of the material contained in it. The stamp serves as a mere indication and guarantee of the quantity of fine metal. We may treat such coins as bullion, and melt them, or export them to countries where they are not legally current; yet, the value of the metal, being independent of legislation, will everywhere be recognised.

"In the case of the English sovereign, for instance, it is intended that the coin shall be rendered identical in value with an equal quantity of gold bullion; so that it shall, in short, be so much certified bullion, and shall be reconvertible into ingots, without loss."

The same writer remarks:—

"In all large international transactions, coining by

weight is, indeed, the sole method. The regulations of a State concerning its legal tender have no validity beyond its own frontiers, and as all coins are subject to more or less uncertainty of weight, they are received only for the actual weight of metal they are estimated to contain. The nominal value of the perfect standard coin is, in fact, coincident with its metallic value."

Even in the case of token coinage, it is admitted that it would be unjust to oblige a creditor to receive more than a small amount of money which is not of the same intrinsic value as the metal out of which it is coined; and, accordingly, in England, the silver token coinage is only a legal tender to the extent of 40s., and copper to the extent of 1s., in any one payment.

I feel that I must apologize to you for having dwelt at some length on such elementary principles, but I think, if you will apply them to the resolution of Mr. Murray, which is now before us for discussion, you will at once see the unsoundness of any such attempt to keep the value of our coinage at an artificial elevation. The rupee, in fact, whatever fictitious value we may give it in this country, is only worth the silver contained in it in our exchanges with foreign nations; and it is with these exchanges and the fall in the value of our coinage in them, and not with the rupee, as it circulates in India, that we are concerned. Supposing, for instance, we were without the machinery of Banks of Exchange, and a person owing £100 in London had to remit them in rupees, these rupees would be worth exactly the silver contained in them, and nothing more. Notwithstanding all the financial machinery we have in these days at our disposal,

the same rule in the long run regulates our exchanges, and any attempt to give our coinage an artificial value, either by imposing a duty on bullion, or by curtailing its amount by Government having a monopoly in the silver trade, as proposed by Mr. Murray, would, in the long run, be as futile as it is unsound.

It would, in fact, be a singular attempt to raise the value of our standard coin by measures calculated to diminish its intrinsic value, *viz.*, that of the silver from which it is coined.

Mr. Murray lays stress upon the fact that the French Government has stopped the coinage of 5 franc pieces. I believe this is not quite correct, the Assembly having, I understand, so far only given the power to the Government to stop their coinage, should it be considered advisable. The position of France is, however, quite different to that of this country. As regards the 5 franc pieces, the system of the double standard is in force there, the effect of which is that the cheaper of the metals, gold or silver, is retained in the country, when any important fluctuation in their value is taking place, for the payment of its internal liabilities, whilst the dearer metal is exported. France benefited greatly by this system, as things have turned out, during the years of the cotton famine, her silver having been largely exported; and she is now naturally desirous that the system should not work the other way, and the gold be exported, whilst the cumbersome 5 franc pieces are retained in the country.

I would further point out that a recurrence to the objectionable monopolies of former times would, amongst

its earliest effects, probably produce a great stringency in our money market, and have a most disastrous effect upon our local industries, which, I feel convinced, are destined to play a great part in enriching this country.

Another objection to Mr. Murray's proposal is that a great stimulus would be given by it to the introduction of counterfeit coin; indeed, I do not think it is too much to say that India would be flooded with counterfeit rupees.

John Stuart Mill, in his Principles of Political Economy, in the chapter on money, writes as follows:—

“Whatever Government takes for money beyond its expenses would be so much profit on private coining. Coining, though not so easy an operation as melting, is far from a difficult one, and, when the coin produced is of full weight and standard, fineness is very difficult to detect. If, therefore, a profit could be made by coining good money, it would certainly be done, and the attempt to make seigniorage a source of revenue would be defeated.”

Any attempt to keep the value of the coin at an artificial elevation, not by seigniorage, but by refusing to coin, would be frustrated in the same manner.

Only consider, gentlemen, the temptation there would be to coin counterfeit rupees, if the value of our currency were artificially enhanced, and a profit of 25 per cent., or 30 per cent., could be made by coining good money—that is, of full weight and standard.

Consider the difficulty of preventing it from being

smuggled in immense quantities into a vast country like India. Consider, too, the oppression and vexations which would probably result, in countless instances, from people being falsely accused of having introduced counterfeit rupees into the country, or of having them in their possession.

These last two objections to Mr. Murray's proposal, although of considerable importance, have however less weight with me than what I consider its radical unsoundness, which I have endeavoured to explain, and which I trust will lead to its rejection by the Chamber.

The resolution was then put to the vote and carried by a large majority, only three or four members voting against it.

The PRESIDENT said: Gentlemen—I now come to the third point in our circular, namely, the change of standard from silver to gold, and it is here that the majority of replies is opposed, to the views of the Committee. That there is absolute necessity for the introduction of gold is received by some with only doubtful acquiescence, entirely repudiated by others, and declared impossible by more. Allow me for a few moments to call your attention to some of these objections. It is said that gold will not run currency, that the people are too poor, their daily transactions, are only of a small amount each, for which gold is not needed, and therefore, that gold is not suited to the requirements of the country. It is as logical to argue that gold is unsuited to the requirements of English life, because the multifarious daily transactions of the working classes, who form the mass of the people, are confined to

small receipts, and payments chiefly in copper, or at most in small silver money. A gold coin is, perhaps, as rare a sight to the agricultural working man at home, as it is and will be to the ryot here, even when gold is introduced. To carry this objection to its logical conclusion, our present silver currency must also be objected to, for the bulk of these daily transactions is carried through by means, not of silver, but of copper, and, still lower, of cowries. Our silver currency should therefore be dropped, and copper and cowries be substituted in their stead. Another objection has, oddly enough, for its foundation, the fear that the requirements of the people and the country will be so large that we shall not be able to procure sufficient gold for our wants. A third objection has been lately started that the amount needed, though not so large in itself, or in the aggregate, will be needed partly in a continuous and steady stream, and partly in a spasmodic manner, and that this will cause such serious disturbance in the English money market as to render it out of the question our ever thinking of gold as a standard.

Most of these objections appear to me to be based on a misapprehension of the terms "currency" and "standard." We do not want gold as a currency in the sense that these objections place on it. We need it not so much for our internal transactions, as for the regulation of our relations with other nations. If there is any force in the arguments I have placed before you to-day—arguments supported by the latest authorities on the subject, and, what is more to the point, supported by the practical action of other silver-using nations—it seems clear that we cannot continue our silver standard and trade at the same time

on equal terms with other countries who can, under existing circumstances, force their depreciated silver on our acceptance, whether we like it or not. If my argument is true, it is the bounden duty of Government to take all the necessary measures to ensure its introduction, and to ascertain whether the fulfilment of the necessity is within their power to accomplish. It is therefore necessary that they should look at the effect that will be produced on our internal trade, before they commit themselves to the measure. That gold is unsuited to the country owing to the infinitesimal transactions of the people, I think I have proved to be a fallacy. If any further proofs be needed of the effect of the internal trade, or of the opinion of Government officers and native merchants as to the practicability or the desire for the introduction of gold, I would ask your attention to the following portions of the Report of the Currency Commission, to which I have already referred. Among the points which seem to be firmly and generally established were, that the demand for gold currency is unanimous throughout the country, and that the opinion is general, almost unanimous, that the currency should consist of gold, silver, and paper.

With such evidence of the general wish of the country before them, the Commissioners go on to say that they cannot hesitate to express a hope that the Government of India will persevere in the policy which was recommended to them for the approval of the Secretary of State two years previously, namely, to cause a legal tender of gold to be a part of the currency arrangements of India.

The consensus of opinion, then and two years previously, is clearly not only that gold is suited to India, but that it

is also desired by the people themselves, and that its introduction has been more than once pressed on the attention of Government for adoption. The only change that I can perceive between the circumstances of the case then and now is, that the change is more than ever needed, and attended with less danger in this respect.

The question is, can we procure enough and at sufficiently moderate cost? I think they may be both accomplished without causing the great disorganization in the London market that some so much dread. The country already absorbs a fair quantity of gold—about five millions sterling I believe—without any perceptible difference in the London market. It must also be remembered that London is not the only source from which we shall derive our supplies of gold. China already sends us some; the new Californian mines produce gold as well as silver, and we would receive a portion of this in payment of our large and growing trade with it; the Continent of Europe—our direct trade with which is largely increasing—would also have to contribute its quota. Government would have, in the first instance, to bring in some, and here will be the first initial loss which will be fully compensated by greater regularity if not by a large development, in the trade of the country. Once the machinery is set in motion, the action of trade will settle the ebb or flow of gold, and the balance would be attained to a nicety.

There are difficulties in the way, and details to be arranged. The great point, however, is to show the Government the absolute necessity of the step, and I have little doubt they will be only too ready to adopt the measure. I will now move—

"That the Committee be requested to urge on the Government the necessity that exists of giving effect to the recommendation already made to them, and to take such steps as may appear to them necessary, for the introduction of gold as a legal standard, at as early a date as practicable."

Mr. NICOL FLEMING said: I have much pleasure in seconding the resolution. Having agreed to make a representation to Government on the subject of the depreciation in the currency, I think it necessary that it should be accompanied by something in the shape of practical suggestion, because it would be unbecoming the Chamber of Commerce to go up to Government with a recommendation and without any practical suggestion. Happily, one portion of the proposition before you has been approved, and, I think, this further proposition is a mere corollary of the first. We cannot ask the Government to stop the coinage of silver without urging on them the adoption of a gold standard, and I for one would not feel at ease if we recommended the one without urging the adoption of the other. I have listened with great attention to what has fallen from Mr. Windram and Mr. Van Cutsem, and I concur in their views to a very great extent, but I do not think they have viewed the subject from the proper standpoint. We do not expect that gold will go largely into use in the country; for retail purposes, it certainly will not, and in wholesale transactions hoondies and bills of exchange will continue to be used instead of coin; therefore, gold is unsuitable for currency purposes. It is however good as a standard, and it is thus we hope to see it used. The fact is silver has become unsuitable as a standard from its being subject to such

constant fluctuation, and business latterly has degenerated into a species of gambling, each one who buys goods doing so in anticipation of the exchange falling so as to enable him to land them in England at a lower cost. I know that this has been done—in fact, I have done it to some extent myself—but the fact is deplorable nevertheless, and I should be glad to see something done to remedy it. For my part, I cannot see how the introduction of a gold standard will result in a loss to the State. Mr. Windram himself will import gold instead of silver; he cannot help himself if the coinage of silver is stopped; and if Government stops the Secretary of State's drafts, a vacuum will be created, and gold come into the country without Government moving hand or foot, and without any effect on the London market. While on this subject, I must say that I was considerably surprised at seeing an article in the *Statesman*, a paper which has recently taken great interest in this matter, stating that the introduction of a gold standard will stop the Bank of England! Such remarks are, to say the least of it, unworthy of it. Now, I repeat that having passed the previous resolution, we cannot stop there; we must perforce adopt the gold standard, and I therefore commend the resolution to your notice.

Mr. SIMPSON said: I quite agree with Mr. Fleming that the stoppage of the coinage of silver should only be preparatory to the gradual introduction of a gold standard. The effect of one without the other would be still further to depreciate the rupee—in short, the Government would be putting in circulation a debased coin, as the result of closing our mints to the public would probably be a further heavy fall in the price of the metal. I cannot

agree with Mr. Windram in the views he expresses, nor do I think the difficulties he anticipates regarding the introduction of gold standard exist. For, I believe, it will be generally admitted that there is no country in the world better able than India, of course aided by England, to maintain a gold standard. Our indebtedness is within ourselves, England and India, and why should we not get gold for our produce?

Some very valuable papers on the subject have been laid before the Secretary of State for India, as well as the Government of India, amongst them one written by Mr. Gwyther, the Chief Manager of the Bank I represent. With the permission of the Meeting, I will read one or two extracts.

Mr Gwyther, in referring to a change of currency in India—says, Germany and Holland both afford data to work upon, the former showing the errors to be avoided, and the latter pointing to the course which can with greatest safety be pursued, and he goes on to state—

“ Preparatory to the adoption for a gold standard in Holland, notice was given by the Government that the coinage of silver on behalf of private individuals would be suspended. The effect of that notice was at once seen in the turn given to the foreign exchanges of that country, which had previously been forced down by the fear of its being deluged with silver from Germany, but thereafter rise steadily to a point which showed that confidence had been restored; and at which point the exchanges have since continued, the Government having, meanwhile, passed a bill through the Dutch Parliament,

authorizing the establishment of a gold currency, which is now being gradually carried into effect.

“ Following this example, the first step for the Indian Government to take would be the issuing of a similar notice to the effect that after a fixed date the coinage of rupees, except at the discretion of Government itself, would cease. The period indicated by the notice should, of course, be sufficiently long to prevent interference with any existing contracts for the purchase of silver intended for conversion into rupees; but three months would, no doubt, be ample. Judging from what occurred in Holland, it may fairly be inferred that such a preliminary measure would restore confidence in making contracts, and place the foreign trade of India on a sound basis. It would of course, however, be only an introductory step, to be followed by the carrying out of well-matured plans for the gradual establishment of a gold currency.

“ Assuming that the India Council would continue its drawings, which it would no doubt be able to do at a constantly improving exchange, the policy recommended would be that of issuing sterling loans from time to time in this country and with the proceeds shipping gold to India, which would be held there until a sufficient quantity had been accumulated to allow of gold coins being issued as a legal tender. As this measure would be a direct means of placing additional funds in India at the disposal of Government, it would allow of the repayment there of the debenture debt and 5½ per cent. rupee loan falling due in 1877 and 1879 respectively, thereby obviating any objection which might be felt to an increase of the total public debt of India. Some of the gold thus im-

ported would form part of the reserves to be held against the note circulation, and a certain amount of rupees would thereby be set free to meet any possible scarcity through the stoppage of further issues of that coin from the mint."

I think these paragraphs deal with the question as thoroughly as it can be dealt with, and I therefore commend them to your consideration.

In recommending the stoppage of the silver coinage to the public, I think the Chamber should, in view of such a measure being adopted, ask the Government to at once appoint a Commission to enquire into the practicability of introducing a gold standard.

Mr. WINDRAM said that he was of opinion that if the Government had the exclusive right of coinage, and ceased to coin for the public, the exchange would rectify itself, as it had done in Holland under similar circumstances. He thought it would be found that the more they looked at the question of gold standard the more they would find it beset with difficulties. He begged to enter his dissent, because he did not consider it was feasible to introduce a gold currency. They should, he thought, rather adopt measures for the protection and appreciation of their silver currency.

Mr. E. C. VAN CUTSEM said:—Mr. President and Gentlemen,—Whilst, as I have already said, I deprecate as much as Mr. Windram does the introduction of a gold currency into this country, I think there is a good deal of force in Mr. Nicol Fleming's remark that, if the coinage

of silver on private account and the importation of rupees are put a stop to and prohibited, the adoption of gold as the standard coinage of the country must eventually result as a corollary to such measures.

It is, in fact, difficult to conceive how the rupee could continue to be our standard, if its value were driven up by artificial means, say, to 1s. 10d., whilst its intrinsic value as silver was further depreciated, say, to 1s.

I, therefore, expressed an adverse opinion to any interference with the bullion trade, and I am equally opposed to the introduction of a gold currency into this country.

Such a currency would not, I think, be at all suitable to so poor a land as India. Its introduction at the present moment would cause a further great depreciation in the value of silver. It would be exceedingly costly to the State; and, last, though not least, there has not yet been time to decide whether the value of silver is likely to continue to decline, or whether the causes of its depreciation are of an ephemeral character, and its restoration to something near its normal value is not thereby a question of time.

I am aware that the advocates of the change argue that the adoption of a gold standard does not necessarily involve the coinage of much gold, and it is true that some countries, Scotland for instance, which have a gold standard, have a principal currency composed almost entirely of paper.

The economic conditions of a country like Scotland are,

however, so widely different from those of India, that it would be futile to base any argument in the present question on any such example.

In many parts of India, Government notes only circulate with great difficulty, and the most serious consequences would probably result were any attempt made to enforce their circulation.

The currency of India would, consequently, consist, if Mr. Murray's recommendations were adopted by Government, of an immense token currency of greatly depreciated silver and a gold standard coinage, of which Mr. Nicol Fleming and some other gentleman, I believe, think that only a comparatively small quantity will be required.

I should, however, wish to know what quantity of gold it is thought would be sufficient for the purpose, and on what data the calculation is based. I should also like to know at what rate it is thought that Government could give gold in exchange for silver; how that rate could be maintained unchanged; and how, with the comparatively small quantity of gold which is vaguely spoken of, it would be possible to prevent constant speculations in that metal, its withdrawal from the circulation in large quantities for hoarding, &c., and other operations which would certainly produce serious fluctuations in the exchanges.

It would also be desirable to know how the holders of Government notes would be dealt with. Would it be fair to them for Government to help to depreciate the currency, and then pay them with depreciated silver?

In considering the whole question, my feeling is that it would be unwise to make any radical alteration in our currency, and that the establishment of Government monopoly in silver, or any interference with the freedom of trade in bullion, cannot be too seriously deprecated.

It is not many years since that a plethora of silver was dreaded in Europe, and the Dutch Government, anticipating a great fall in the value of gold, adopted silver as the single standard of value in 1850.

An entire change has now come over the spirit of the dream. We are at the opposite pole; but, in the course of a few years, we may again see the equilibrium established between the precious metals, especially if the Indian Government does everything in its power to stimulate the development of the great agricultural and industrial resources of the country.

Mr. CRAIK said that as there was no doubt this was a matter upon which very great difference of opinion prevailed, and as the second resolution, to which the Chamber had assented, did not propose entirely to stop the coining of rupees, but only to limit such to the discretion of the Government, he hoped that this resolution regarding a change of standard would not in the meantime be pressed. After receiving a reply from Government to the suggestions contained in the first two resolutions, this matter might again be taken up, and, meanwhile, the members of the Chamber would have an opportunity of giving this subject their further consideration, and might probably come to a more unanimous determination than they were now likely to do, especially seeing that there

are not yet sufficiently reliable data to guide to the undoubted conclusion that the supplies of silver must in the future be so enormous as permanently to debase the value of the metal.

The Hon'ble Mr. BULLEN SMITH said that he had great pleasure in seconding the amendment, as he thought it would be best that the further consideration of the subject should be delayed. For himself he would say that if the question were put to the vote just now, he would not vote on either side; he had heard much to-day on which he wished to reflect, and unless he had time for consideration he would not like to vote one way or the other. He was sure they would all feel grateful to the Committee for their labours in this matter and for getting up this meeting, which was the most numerous and influentially attended one he had seen for some years past. And such being the case, he hoped that whatever went up to Government should go up as the undivided, or at least the nearly unanimous, opinion of the Chamber. He trusted, therefore, the Chamber would not divide on the question, but postpone the further consideration of it for the present.

The PRESIDENT said that he was quite aware of the difficulties which surrounded the question, and had himself remarked that it required long and anxious deliberation, but he considered that Government had already sufficient information before them in the reports of the two Commissions appointed in 1864 and 1866. However, he had no wish to divide the Chamber on the subject, and was quite willing to accept Mr. Craik's amendment, and withdraw his resolution.

The resolution was accordingly withdrawn, after which the meeting came to a close.

From Govt. of India to Chamber of Commerce.

ACCOUNTS.

Simla, 22nd September 1876.

No. 3044.

Read again—

Resolution No. 1967, dated 31st July 1876.

Read—

A letter, dated 17th July 1876, from the Secretary to the Bengal Chamber of Commerce, transmitting, for the consideration of His Excellency the Governor General in Council, the following two Resolutions adopted at a Special General Meeting of the Chamber held on Saturday, the 15th July:—

RESOLUTION.

1st.—“That the continued depreciation in the value of silver is a question most seriously affecting the political and financial interests of the country; and that, in view to its very great importance, the Committee be requested to address the Government, in order to obtain such information as they may be able to give, in regard to the policy which they propose to pursue under the circumstances.

2nd.—“That the Chamber approves of the suggestion of the Committee, that it is expedient, in view of any ultimate measures that the Government may adopt, that Clause 19 of Act XXIII of 1870, making it obligatory on the Mints in India to receive all silver tendered for coinage, and also Section 11, Clause (b) of Act III of 1871, making it obligatory on the

Currency Department to issue notes against silver bullion sent in, be temporarily suspended, at the discretion of Government; and that, during such suspension, or till further notice, it be not lawful to import coined rupees from any foreign port."

Read—

A further letter from the Secretary to the said Chamber, dated 22nd July, forwarding copy of the proceedings of the Chamber at the Special General Meeting aforesaid.

In this letter, the Committee of the Chamber, while recognising the difficulty of the position of the Government of India, remarks that the "the uncertainty that has hitherto shrouded the action of Government has been attended with serious consequences to merchants and bankers, and will so continue to attend their transactions so long as they are kept in ignorance of the course of action the Government propose to take." The Committee therefore "expresses a hope that His Excellency the Viceroy will, in the interests of commerce and of the country generally, accede to the prayer of the first Resolution of the Meeting, and make public the intentions of the Government."

As to the second Resolution, the Committee point out that its object is "not to prohibit coinage altogether; for that would be likely to bring about a collapse of credit; but to place all coinage in the hands of the Government to be exercised at their discretion." "It appears to the Committee suicidal" for the Secretary of State to allow the competition of bar silver with the rupees which he has to offer

to those requiring money in India, and that to suspend the free conversion of silver bullion into legal tender coin is "not only a wise and reasonable, but a necessary, precaution for the Government of India to take for the preservation of their own currency, and to support the credit of their own loans, as well as to prevent the country from being swamped by silver sent in by foreign nations."

The Committee argue that the fact that the Government of India is compelled "to put their Mint stamp to all silver" sent to India "has given an artificial and fictitious value to silver, which would cease as soon as the law is suspended. Bar silver would then, gradually, fall to its own intrinsic value; and the extent to which it is depreciated would be soon gauged; whereas now, it is impossible to say how much its value is appreciated by our present 'open coinage system.'"

"When all Europe is closing its door against the import of silver with the avowed object of having as little of the metal as possible, should the depreciation be found permanent, it seems most impolitic," the Committee think, "to keep ours wide open for the reception of an unlimited quantity costing the country, through our coinage laws, far more than its real intrinsic value." The Committee "can see no valid reason against" the immediate adoption by the Government of the second Resolution of the Meeting, and consider that "the objections brought against it have been based either on a misconception of its real scope, or on abstract principles ignored

by other States); whereas the position of affairs is altogether exceptional, and ordinary rules do not apply." The Committee represent that "the measures recommended in the Resolution are not more stringent than, (in fact scarcely so stringent as), the first financiers in Europe have found it necessary to adopt."

Lastly, the Committee point out that "there was a third proposition put before the Meeting, recommending the adoption of a gold standard which, in deference to the feeling apparent among members present, was temporarily withdrawn;" and they refer the Government to the debate at the Meeting upon this proposal.

Read—

A letter, dated 1st August 1876, received in the Legislative Department from the Secretary, Calcutta Trades' Association, forwarding a Memorial from the Master, Wardens, and Committee of the Association to His Excellency the Viceroy and Governor General of India in Council.

In this document the memorialists represent that they have, for many months past, been suffering great loss from the low rate of exchange, which bids fair to paralyse trade. The memorialists join earnestly with the Bengal Chamber of Commerce in urging on the Government the importance of declaring the policy it intends to pursue for the remedy of this evil, and pray that the policy of a temporary sus-

pension of the compulsory coinage of silver may receive the early consideration of Government.

The memorialists further express great satisfaction at the desire manifested by the Government to encourage local manufactures, and suggest a relaxation of the Rules against the purchase of imported stores for the Government in India.

Read—

The Report by the Select Committee of the House of Commons on Depreciation of Silver with the Proceedings of the Committee, ordered by the House of Commons to be printed on the 5th July 1876.

OBSERVATIONS.—The Government of India has been, for many months past, anxiously engaged in investigating the causes of the present depression of silver relatively to gold, and its effects upon the financial, commercial, and social interests of this Empire.

2. For 40 years before 1873 the price of silver in London was never less than 59*d.*, and for 22 years never less than 60*d.*, per ounce. From 1872 to 1875 the price fell to nearly 56*d.* Since then it has fallen with alarming rapidity; the price of silver having been, at one time, quoted at 46*d.* per ounce. There has, indeed, been a subsequent reaction; but, although the price of silver lately rose to 54*d.* it has again declined; nor can any term be, as yet, predicted to the continued oscillation in the relative values of the precious metals.

3. A fall so sudden, and so prolonged, in the price of

the metal forming the legal tender of this Empire could not fail to affect injuriously its monetary transactions with England. The Government of India has to pay, in London, annually, in gold, about fifteen millions sterling. The greater part of this yearly charge is unavoidable and permanent. The interest, for instance, on the sterling debt of India, and on the capital of the Guaranteed Railway and Irrigation Companies (amounting altogether to about 7 millions sterling); the pensions and annuities to retired officers of the Government, both civil and military and their families (about 2½ millions sterling); that portion of the military expenditure which consists of pay and allowances; and most of the disbursements from the Home Treasury,—are all fixed by contract or honorable obligation, and cannot be reduced at discretion. Any divergence of the normal relative values of gold and silver must therefore have a most important bearing on the finances of the Indian Empire; and should such divergence be prolonged for any considerable length of time, it would be incumbent on the Government either to raise its revenue, or to reduce its expenditure, or to resort to both these expedients, in order to restore financial equilibrium.

4. In common with the Government, its chief civil and military officers, who, being of British birth, are under the necessity of remitting some considerable part of their earnings to their native land, must suffer heavily, their official incomes being fixed in silver, for a given quantity of which they will get a less quantity of gold. Moreover, all persons of the same nationality, who have placed their savings in the securities of the Government of India, or have invested capital in local industries, lie

under a similar obligation to transmit a large portion of their profits to Great Britain, and are exposed to the same substantial loss. The Government cannot be indifferent to the interests of these classes. Nor are theirs the only interests affected: the violent fluctuation in the rate of exchange has had a baneful and disturbing effect upon commerce; while the fall in silver, as compared with gold, has seriously checked and depressed the import trade. It is true that whenever an equilibrium may be reached, the exigencies of commerce will adapt themselves to any new ratio of value between the two metals; but it may be long before a stable adjustment of relative value is again attained, and meanwhile the mercantile world must suffer.

5. Such being the magnitude of the evil, and such the extent and variety of the interests involved, the Bengal Chamber of Commerce and the Trades' Association of Calcutta were, without doubt, fully warranted in addressing the Governor General in Council on the subject, and in urging the adoption of measures which, in their opinion, are calculated to remove, or alleviate, the misfortune. The Governor General in Council deems it due to these Associations, and to the public at large, that, after careful consideration of the proposals thus put forward, the Government should make known the reasons which have convinced it that none of them can at the present moment be adopted without inflicting on the country greater evils than those which they are designed to remedy.

6. The present disturbance in the equilibrium of the

precious metals must be due to one of the following causes—

- (1) *the value of gold being unchanged, the value of silver is fallen;*
- or (2) *the value of silver being unchanged, the value of gold is risen;*
- or (3) *the value of gold is risen and the value of silver is fallen;*
- or (4) *the value of both metals is risen; but the value of gold is risen more than that of silver;*
- or (5) *the value of both metals is fallen; but the value of silver is fallen more than that of gold.*

The character of the remedies indicated if the disturbance is found to be due to a rise in the value of gold, will, obviously, differ from what would be suitable in the case of a fall in the value of silver; and to enable the Government to choose the right course among those open to its adoption, it is essential that it should ascertain which of these five possible causes of the disorder is the true cause. Should this be impossible, the Government must either defer action, or, if action cannot be deferred, take that course which, according to its best judgment, will do the least harm to the whole body politic, and produce the least injustice.

7. Now, the proposals of the Bengal Chamber of Commerce and the Calcutta Trades' Association, as well as nearly all the suggestions which have been made in the public journals on this subject, start from the assumption

that, of the five possible causes of the present disorder, either the first is certainly the true cause, *viz.*, that the value of silver has fallen, the value of gold remaining unaltered; or that, in any case, the disorder is directly attributable to the altered value of silver irrespective of any change that may have simultaneously occurred in the value of gold.

8. Accordingly, the Chamber invite the Government to take a measure calculated to enhance indefinitely the value of the rupee, by suspending the long-established legal right of all comers to have silver bullion manufactured, upon uniform conditions, under State supervision, into legal-tender coin, and temporarily substituting a system of coinage at the discretion of the State. It is obvious that the effect of such a measure must eventually be a fall in prices; which, as prices have not hitherto risen, would be an unjustifiable interference with private interests.

9. Silver is, at present, as it has long been, the legal standard of value in India. The first condition necessary for constituting and maintaining any metal a standard of value, is what the Committee designate, with some apparent disapproval as "the open coinage system." If restriction be put, in any country, upon the coinage of a metal, the value of the metal ceases, *ipso facto*, to be the standard of value in that country. Thus, if the Government of India were to adopt the suggestion of the Chamber, silver would no longer be the standard of value in India, but another standard would be substituted, *viz.*, the monopoly value of the existing stock of rupees tempered by any additions made to it either by the Govern-

ment, or in an illicit manner. If no such additions were made, the value of the rupee would gradually, but surely, rise; just as the value of any commodity in general use, must rise if its supply be cut off.

10. Under such conditions there can be no doubt that the mint stamp of the Government would give "an artificial" (though not a "fictitious") value to every disc of silver on which it was impressed, just as it does in the case of any token or subsidiary coin, or as the signature of the representative of Government does to a currency note. But the Government of India is unable to agree with the Chamber that, so long as silver is freely coined, on uniform conditions, for all comers, the mint-stamp gives any artificial or fictitious value to the pieces which are thus converted into rupees; except in so far as the cost of manufacture, including the duty of seigniorage, causes their value to differ from that of an equal weight of standard silver. The stamp of the mint certifies to the weight and purity of the silver contained in each disc on which it is impressed, and so saves the labor and cost of weighing and assaying the coin each time it changes hands; but, except by adding to it the cost of the process of coining, including the duty of seigniorage, it has no effect whatever upon the value of the disc, any more than have the shroffs' marks upon coins, still common in some parts of India.

11. It is essential to a sound system of currency that it be automatic. No man, or body of men, can ascertain whether, at any particular moment, the interests of the community, as a whole, require an increase or diminution of the currency; still less, how much increase or how

much decrease is, at any moment, exactly needed. No Government which aspires to keep its currency in a sound condition, would be justified in attempting that impossible task; or in leaving the community, even for a short interval, without a fixed metallic standard of value. Under an "open coinage system," these things regulate themselves without official interference.

12. The Chamber has, apparently, misunderstood the action of the various European States, quoted in support of the Resolution. No European States, so far as the Government of India is aware, except indeed those with inconvertible paper currencies, have, in abandoning a silver standard of value, left themselves without a fixed metallic standard. All those States which have recently abandoned silver as a standard, have simultaneously adopted a gold standard. When Germany ceased to coin silver, she opened her mints to gold. So did the Netherlands. So did the Scandinavian Kingdoms. The case of the countries associated under the name of the Latin Convention is not different in principle: their standard was alternative; either silver or gold, according as gold was worth more or less than $15\frac{1}{2}$ times its weight in silver. These countries have, now, suspended the free coinage of silver, and so reverted, for the time being, to a sole gold standard; but none of them, except those whose currency is inconvertible paper, have been for a day without a fixed metallic standard of value.

13. It remains for the Governor General in Council to notice the argument urged by the Chamber of Commerce, that the extent to which bar silver is depreciated can only be gauged if the Government of India ceases to coin

silver for all comers; and that it is impossible to say how much its value is appreciated by the present "open coinage system."

14. The value of every commodity—of gold and silver as much as of others—depends, on the one hand, upon the supply; on the other, upon the demand for the commodity, and that, again, upon the uses made of it. The principal demand for the precious metals is for manufacture into money, for use as instruments of exchange, and for hoarding. If either gold, or silver, or both, were wholly deprived of this field of employment, it is impossible to say how low the value of either metal, or of both of them, would sink. The Government of India is not aware that any commodity has an "intrinsic value of its own," apart from the demand for its use.

15. The main cause of the recent divergence of the values of gold and silver appears, from the evidence collected on the subject, to be the substitution of gold for silver as the standard of value, and, therefore, as legal-tender money, by several European nations; and there is no reason to doubt that if gold were substituted for silver as the standard of value, and, so, as the material of money, or even if the free coinage of silver on fixed conditions, into legal-tender money were suspended in British India, the effect upon the relative values of the two metals would be very considerable. But no practical object would be served by endeavouring to ascertain what would be the relative values of the two metals under conditions so widely differing from those which govern the present situation.

16. The Governor General in Council observes that the Committee of the Bengal Chamber of Commerce, when asking the Government of India to close Her Majesty's mints to the free coinage of silver into legal-tender money, would have advised the simultaneous adoption of gold as the sole standard of value in India; but that the Chamber was not prepared to adopt the suggestion. Such a recommendation would not have been open to the objections that appear to the Governor General in Council fatal, *in limine*, to the adoption of the Resolution actually advocated by the Chamber, *viz.*, to close the mints, temporarily, to the free coinage of the one metal into legal-tender money, without, simultaneously, opening them to the free coinage of the other into legal-tender money.

17. It is, however, the opinion of His Excellency in Council that there is nothing, as yet, in the nature of existing circumstances, notwithstanding the inconveniences and anxieties which they undoubtedly involve, demanding recourse to a measure so costly, and of which all the requisite conditions are, at present, so uncertain.

18. The divergence now noticeable in the values of gold and silver does not necessarily prove a diminution in the value of silver. It may be equally well accounted for by a rise in the value of gold; and, in fact, it is probable that, since the commencement of this divergence in November 1872, there has been an increase in the value of gold as well as a decrease in the value of silver. The actual values, measured in silver, of general commodities, whether in India or in England, afford, as yet, no evidence of any recent, sudden, or violent fall in the value of silver; and, *a priori* considerations strongly

indicate that silver must have fallen, such considerations also make it probable that gold must have risen in value.

19. Appended to this Resolution is a series of tables of prices in London and in India, the information contained in which points to two conclusions—

1st.—That gold has risen in value since March 1873, and especially since last December.

2nd.—That it is not shown that silver has fallen in value, *i. e.*, as compared with commodities in general, either in London or in India during the same period.

These conclusions are open to correction on a wider review of the economical causes which have been at work during the period: but they appear to indicate a rise in the value of gold as at least one of the causes which have disturbed the equilibrium of the two metals. The bearing of both conclusions upon the questions now before the Government of India is important.

20. It appears to the Governor General in Council, from studying the Report of the Select Committee of the House of Commons, and from such independent investigations as he has been able to make, that the recent divergence of the values of gold and silver is attributable to the following causes:—

- (1) the substitution of gold for silver as a standard of value by Germany, the Netherlands, and the Scandinavian Kingdoms; as well as what virtually amounts to the temporary adoption of a sole

gold standard in place of their customary alternative standard of silver and gold, by the Countries of the Latin Convention:

- (2) the increased production of silver in the United States of America:
- (3) the decreased demand for silver in India.

Of these three causes, the first appears to the Government of India to have been up to the present time, the most efficient.

21. The steady equilibrium so long maintained between gold and silver may, doubtless, be attributed to the fact of the two metals having shared, without material change, the only great field for the employment of either of them. This equilibrium has been disturbed by the recent rapid supersession of silver by gold, as the standard of value, in the richer countries in Europe; a fact calculated, *a priori*, to raise the value of gold no less than to depress the value of silver.

22. As to the second cause, *viz.*, the recent increased yield of silver in the United States of America; the Governor General in Council observes that, hitherto, this is chiefly due to the productiveness of one lode—the famous Comstock lode in Nevada—the ore of which yields gold and silver in nearly equal values, one-twentieth part of the produce being gold. The contents of the lode, though vast, are yet limited. The largest responsible estimate hitherto made gives the ultimate yield of the entire lode at about £60,000,000 of which the silver portion would be somewhat above £30,000,000. From

various causes, but little of the increased produce has hitherto been offered for sale in Europe: and, excepting in the way of (a perhaps exaggerated) apprehension as to their future productiveness, the American mines have not probably, as yet, had any important share in reducing the value of silver measured in gold. It is also to be remembered that the cost of production in these rich mines will not rule the market price of silver: the price will be regulated by the expense of production in the poorest mines which the demand for silver keeps in working: the difference will go as profit to the owners, and will not effect the market price. If the event should prove that the price of silver is for the future lowered, then in proportion to such fall, the poorer mines will be closed, and the production of silver to that extent diminished.

23. As regards the third cause, *viz.*, the decreased demand for silver in India, the subjoined table shows (in crores of rupees) the net imports of treasure into India, by sea, since the beginning of the century

From	To	Number of years.	NET IMPORTS.		AVERAGE YEARLY IMPORTS.		BORROWED PRODUCE GENERALISED RAILWAY CARRIAGE.								
			Gold.	Silver.	Total.	Gold.	Silver.	Total.	England.	India.	Total.				
I. 1st May...1800	30th April...1835	35	...	...	79-11*	...	...	2-41	22-76	25-17			
II. " " " " " " " "	" " " " " " " "	1850	8-19	25-94	32-13	56	1-50	2-14	25-49	78	11-04	11-82			
III. " " " " " " " "	" " " " " " " "	1855	5	5-39	11-93	17-31	1-98	2-38	3-46	3-12	5-27	2-04	3-23		
IV. " " " " " " " "	" " " " " " " "	1860	11	56-82	118-87	175-69	5-16	10-81	15-97	23-34	76-93	20-56	97-79		
V. " " " " " " " "	" " " " " " " "	1866	31st March...	1872	6	25-05	35-93	6-98	4-17	5-39	10-16	4-08	46-31	5-15	51-49
VI. 1st April...1872	" " " " " " " "	1876	4	7-35	9-38	16-70	1-83	2-24	4-17	44-01	8-99	4-70	12-38		
	Total	...	76	...	377-92	...	...	4-97	...	140-32	62-06	202-88	

* These figures are only approximately correct; their distribution between gold and silver cannot at present be stated.

24. During the third of the periods separated in this table, the Crimean War transferred from Russia to India a substantial demand for oil-seeds and fibres.

During the fourth period, large sums of money were borrowed in England for the repression of the Indian Mutiny, and the American Civil War vastly enhanced the value of the raw cotton of India; this enhancement was not exhausted during the fifth period. The circumstances of these two periods were altogether abnormal.

Even during the sixth period, a considerable amount was borrowed abroad, to relieve the distress arising from the failure of the rains of 1873 in Northern Bengal.

During the whole epoch from 1850 to 1876, there was a very large expenditure of capital, borrowed for the most part, directly or indirectly, in England, on the construction of railways and canals in India.

25. It is clear that, throughout the last 26 years, exceptional causes have operated to increase the amount of treasure required to settle the accounts of India with external countries. Under normal circumstances, the yearly demand of India for treasure has never been very considerable: moreover, a large and, till lately, increasing proportion of the treasure imported has always been gold. Doubtless, if the abnormal demand of the 17 years, 1855 to 1872, had been permanently maintained it would have favorably affected the values of the precious metals; but it is not certain that even such a demand would have greatly raised the value of silver relatively to gold; and its recurrence can only be anticipated if money should

again be borrowed largely from abroad, either by the Government or otherwise. Apart, however, from other considerations which suggest the inexpediency of adding to the existing debt of India, the Governor General in Council is of opinion that the uncertainty as to the future relative value of silver and gold renders it highly inexpedient that, for the present, any public loan should be incurred, implying future obligations to be discharged in gold: if money be needed by the State, for the prosecution of Extraordinary Works, it must be borrowed in India, and in the currency of India.

26. With such facts before them, the Government of India apprehend that if loans be no longer raised in England, the excess of the export over the import trade of India will not more than suffice to meet the obligations arising from the Secretary of State's demands and those of private remitters; and there consequently appears no reason to expect that India (as the Chamber anticipate) will be flooded with depreciated silver.

27. On a review of all that has been advanced, the Governor General in Council, while deeply sympathising with the losses of individuals, and the disturbance of trade caused by the fall in the exchange value of the Indian currency, is still unable to recognise any of the proposals which have been put forth as calculated to afford relief without inflicting on the country losses greater than those under which it at present labours. Nevertheless, the anxious solicitude of the Government of India will continue to be directed to the subject, and to the consideration of any suggestions designed to ameliorate the existing evil.

28. The investigations prosecuted up to the present moment have led the Government to the following conclusions:—

1st.—That the divergence of the values of gold and silver is not necessarily attributable only to a diminution in the value of silver; that there are strong reasons for believing that gold may have increased, as well as that silver has decreased, in value; and that this consideration must have an important bearing on the action of Government, in reference to the present disorder.

2ndly.—That, although it is most desirable in the interests of trade, that the standard of value in India should be the same as the standard of value in the chief countries with which India interchanges commodities, yet trade will not be permanently injured by a fall in the value of the rupee measured in gold, provided only that a fresh stable equilibrium of the precious metals be attained.

3rdly.—That, up to the present moment, there is no sufficient ground for interfering with the standard of value.

29.—The Governor General in Council has, consequently, by the Resolution No. 1967, dated 31st July 1876, and now read again, already taken other steps for endeavouring to bring the revenue and expenditure of the current year into equilibrium. Nothing has occurred, since the issue of that Resolution, materially to lessen the

prehenensions, or alter the opinions, therein expressed by His Excellency in Council.

30. Meanwhile, it is important that the Government should continue to use the resources at the disposal of the State for the development of the trade and productions of India. The Governor General in Council does not, therefore, intend to discontinue borrowing, for the construction of public works the remunerative character of which is thoroughly established, as much money as can be judiciously expended on them; provided always that money can be raised for the purpose on advantageous terms in the country itself. There are, in the judgment of the Governor General in Council, grave objections to any present increase of the liabilities of India fixed in gold.

31. The suggestion in the memorial from the Calcutta Trades' Association, as to the purchase of stores for Government use in India, rather than in the England, has already received, and will continue to receive, the attention of the Government, both in England and in India. But, whatever the condition of the exchanges, there are various other circumstances which must, in the opinion of the Government of India, be taken into consideration in the determination of this question.

32. In conclusion, the Government desires to correct an important misapprehension manifested in the letter from the Chamber of Commerce, dated 22nd July 1876. The Rs. 2,33,20,000 provided in the estimates of the current year under the adjusting head, *Loss by Exchange*, was covered by the estimated Revenue of the year; cre-

dit was not taken for any borrowed money as if it were revenue: nor will the excess amount, borrowed during the year by the Secretary of State, be treated as Revenue, or set against the ordinary Expenditure of the year.

ORDERED, that this Resolution be communicated to the Bengal Chamber of Commerce and the Calcutta Trades' Association, and to the Bombay and Madras Chambers of Commerce;

that copy be sent to each Department of the Government of India, and each Local Government and Administration;

and that it be published in a *Gazette of India Extraordinary*.

*From Manchester Chamber of Commerce
to Bengal Chamber of Commerce.*

Manchester, 20th July 1876.

I have to acknowledge receipt on the 18th instant, of telegram of your Chamber on the subject of depreciation of silver, *viz.*

*"This Chamber recommends Government India
temporary suspension silver coinage, advances
on silver bullion, and prohibition import coined
rupees; will you and other Chambers urge Sec-
retary State."*

This telegram was fully discussed at a Board Meeting on the 19th—the day following—and as the result of a careful consideration then given to the question, the following telegram was despatched to you on the same day (the 19th instant), *viz.*—

*"Manchester Chamber believes no permanent good
would ensue; your telegram sent Liverpool, Glasgow."*

You would observe that although not prepared to take any action themselves, my Directors desired to give the Chambers of Commerce of Liverpool and Glasgow the earliest intimation of the course proposed by your Chamber, in order that they might have the earliest opportunity of supporting the same if they thought it desirable to do so.

I may briefly state, that my Directors conclude that to suspend the coinage of silver in India, would directly accelerate the depreciation of the value of that metal, and ultimately add to the difficulties and complications of both Government and the public.

*From Liverpool Chamber of Commerce
to Bengal Chamber of Commerce.*

Liverpool, 18th August 1876.

I am to acknowledge the receipt of your letter of the 25th of July, enclosing, for the information of this Chamber, copy of letter addressed to the Government of India, together with copy of proceedings of a meeting of your Chamber held on the 15th of July, on the subject of the depreciation of the value of the currency of India, and to say that a copy of a telegram transmitted by you to the Chamber of Commerce at Manchester was forwarded here by that body on the 19th of July.

I shall lay your letter and enclosure before the Council of this Chamber at their next meeting.

In the meantime I beg to transmit to you, by the book post, two copies—in pamphlet form—of letter addressed to the President of this Chamber on the same subject, together with two copies of the memorial of the Chamber to the Prime Minister, agreed to at a Special General Meeting of the members of the Chamber, convened for the purpose of considering the question and held on the 20th of July.

FALL IN THE VALUE OF SILVER.

The following Memorial has been transmitted to the First Lord of the Treasury by The Incorporated Chamber of Commerce of Liverpool:—

TO THE RIGHT HONORABLE BENJAMIN DISRAELI, M. P.,
HER MAJESTY'S FIRST LORD OF THE TREASURY.

The Memorial of the Incorporated Chamber of Commerce of Liverpool.

Sheweth—

1. That your Memorialists have carefully considered the Report made by the Select Committee of the House of Commons, ordered by the House to be printed on the 5th of July, 1876, upon the causes which have led to the depreciation of the price of silver, and the effects of such depreciation upon the exchanges between India and England.

2. That it appears from the Report of the Select Committee, that while they have entered into a statement of facts bearing upon the subject of their inquiry, they have abstained from offering any opinion as to the probable course the silver market may take, or from including in their Report any recommendation to the House with regard to the monetary and commercial derangements arising out of the fall in the price of silver; but the important statement is made by the Select Committee, that the fall in the price of silver is not so much due to any excessive production of silver as compared with gold, but mainly to the changes which have taken place in the uses of the metals.

3. That the fall in the price of silver is due, according to the Report of the Select Committee, to the simultaneous operation of two sets of causes, namely,—the increased production of newly discovered mines, and the surplus silver thrown on the market by Germany. as follows:—

(1.) To the discovery of new silver mines of great richness in the State of Nevada.

(2.) To the introduction of a gold currency into Germany in place of the previous silver currency. This operation commenced at the end of 1871.

(3.) To the decreased demand for silver for export to India.

(4.) That the Scandinavian Governments have also substituted gold for silver in their currency.

(5.) That the Latin Union, comprising France, Belgium, Switzerland, Italy, and Greece, have, since 1874, limited the amount of silver to be coined yearly in the mints of each Member of the Union, suspending the privilege formerly accorded to all holders of silver bullion, of claiming to have that bullion turned into coin, without restriction.

(6.) That Holland has also passed a temporary Act prohibiting, except on account of the Government, the coining of silver, and authorising the coining of gold.

4. That the Port of Liverpool, having extensive trading transactions with countries in which silver currency predominates, is therefore deeply interested in this ques-

tion through the very serious losses which are arising to many of her Merchants and Traders from falling exchanges, where these are based on silver money.

5. That your Memorialists are of opinion that this question is of more than local importance; that it is of Imperial importance as well; and the trading communities of other nations, as well as ourselves, are affected injuriously by the depreciation in the value of silver.

6. That your Memorialists believe that the depreciation in the value of a metal which is in universal use for monetary purposes has invested its fall with an importance and interest of world-wide concern, and that the very serious consequences arising out of it are deserving of the early and careful consideration of our own Government, and the Governments of all other countries concerned.

7. Your Memorialists therefore pray that Her Majesty's Government will take into early consideration the desirability of convening an International Conference, with the view of considering the whole question.

Given under the Common Seal of The Incorporated Chamber of Commerce of Liverpool, this 2nd day of August, 1876.

SAMUEL SMITH, *President.*

WILLIAM BLOOD, *Secretary.*

*From Chamber of Commerce Madras, to
Chamber of Commerce, Calcutta.*

Madras, 31st August 1876.

I have now the honor, by direction of the Committee of this Chamber, to acknowledge receipt of your letter, of the 24th ultimo, handing a copy of the printed Report of the Proceedings at a Special Meeting of your Chamber, on the 15th, and a copy of the letter that you addressed on the 22nd idem, to the Financial Secretary to the Government of India, relative to the steps that, in the present state of the foreign exchanges and of the depreciated value of the currency in this country, should be taken. These papers have been studied with the greatest interest by the Members of this Chamber, and it is my pleasing duty to convey to you, for communication to your Chamber, an expression of their cordial acknowledgments of these efforts, to devise a remedy for what threatens to assume the dimensions of a national disaster. But I am precluded from adding that this Chamber can give the desiderated support to the Resolutions carried at the meeting referred to, or co-operate in urging upon the Government of India the remedial measures suggested by your Chamber.

In approaching the consideration of this inomentous subject, this Chamber have had the benefit of watching the partial recovery of Exchange since the above-mentioned Resolutions were adopted, and, in the absence of other reasons, this would be sufficient to put them on their guard against accepting proposals for an alleged malady which has been already partially healed, or temporarily

relieved by natural causes. The recovery referred to has been so speedy as to suggest in most quarters doubts as to the permanence of existing rates; but, on the other hand, the fall was so rapid as to justify a suspicion that other than natural causes were operating adversely on the commerce of the world in general, and on the currency of this country in particular. And therefore, in this Chamber's judgment, the Government should hesitate to enforce drastic remedies until the fact of the incurability by other agencies of the evil influences affecting the currency has been proved beyond all question.

It appears, therefore, to this Chamber, that the duty of the Government is, firstly, to ascertain the actual extent of the evil, and, secondly, to consider suggestions for its treatment. The Parliamentary Committee which has just reported on the decline in the value of silver, arrived, after a patient investigation, at so open a verdict as to leave the Home Government in much the same position as they were prior to the enquiry. If, then, the causes, extent, and curability or otherwise, of the evil have baffled the scrutiny of specialists in England, the Government of India may be excused for hesitating to accept conclusions on this side, based on prognostications that have, in the last few weeks, been somewhat belied by facts. The whole question is at present attended with so much difficulty and uncertainty, that this Chamber conceive it would be impolitic to accept as conclusive the alleged inability of that question to solve itself. The permanent depreciation by a heavy percentage of the value of the currency of so great and populous a country as India would be a deplorable catastrophe, and no one who has any stake in the country would be indifferent to the neglect of the Go-

vernment to avail themselves of all possible protection against it; but, on the other hand, it appears to this Chamber that the Government would incur a grave responsibility by committing the country, during the present general incertitude, to schemes of a novel description having mainly for their object the conferring of an artificial value on such currency.

This Chamber, I am further to add, are as unable to believe in the possibility as they are to admit the judiciousness of surrounding this country with a barrier to keep off the influx of superabundant foreign silver; and it seems to them that such a remedy—assuming it to be practicable—would very probably prove more exhausting in the long run than the disease. The operation proposed is too vast and too novel; and the greater the apparent profit to India by so retrograde a proceeding as the prohibition of free trade in precious metal, the greater would be the inducement to break through the obstruction. Russia and Austria present eloquent examples of the ruinous consequences of efforts to give an artificial value to currency. The homely adage that “the price of a thing is what it will bring,” applies to India, and to everything produced in, or consumed by, India. Bar silver and bar iron are, after all, but varieties of metals; and the former is as much a commodity as the other, though its uses are widely different. The intrinsic value of the silver may, by an exercise of authority, be declared to be greater than everybody knows it to be; but the fact of the world at large being aware that a silver rupee, for example, is not what it seems must deter people from accepting the fiction. It is competent to a despotic Government to say “this silver coin, which is really worth only

7½ per cent. of a pound sterling, is to be considered worth 10 per cent.,” but, unless the Government can force each member of the community to ignore the logic of facts, the coin may be trusted to find its own level as surely as does any other commodity.

The Government may try to discredit silver by refusing to mint it, but this will drive the country to employ silver bars in lieu of silver coin, rather than to discontinue the use of a precious metal which is best adapted for the trading operations of this vast and for the most part indigent country. In no country in Europe can the individual transactions of daily life of the bulk of the people be so petty in value as they are in India; and yet the gross value of such transactions must be enormous. The introduction of a gold currency into India would be an appreciable convenience to the Government and to commerce; but it is open to doubt whether such a convenience would not be bought too dearly, if, in order to bring it about, the people at large are denied the benefit of having a currency adapted to their infinitely numerous requirements. The gradual disappearance of coined silver would not necessarily pave the way for gold everywhere; but it would certainly increase the opportunities for rogues to prey on the ignorant portion of the community. Moreover, even in the improbable event of the stoppage of the manufacture of rupees failing to cause something resembling a panic among propertyed natives, and illimitable inconvenience and loss to the people at large, this Chamber fail at present to understand how it can be expected to send up exchange, for remitters, or those who want to buy gold in Europe, are sure to find that the rupee, when handed to an Exchange Bank, will

buy no more than the silver of which it is made is worth outside India. There would be a chance of the experiment succeeding if it were introduced coincidentally with an entire severance of commercial and other relations with foreign countries—if India, in short, could isolate herself, as Japan used to do. But any arbitrary interference with free trade must, the Chamber conceive, tend to elevate blockade-running to the dignity of a fine art; and the end of the struggle against nature and knowledge is likely to be that the Government will obtain the minimum of advantage for a maximum of politico-economical inconsistency.

While, however, this Chamber are satisfied that it is premature, and, therefore inexpedient to apply remedies for a disease that has not been diagnosed, they will cordially second any efforts in the direction of moving the Government of India, or Parliament, to reconsider the arrangements for what are technically known as the "Home Charges." The Council Bills for those charges constitute one of the most formidable features in the Indian balance-sheet, and they have had much to do with the present position of exchange. Yet the Secretary of State seems to enjoy irresponsibility regarding them. It is competent to him to draw when, and how, he likes; and nothing is more significant of weakness in the Annual Financial Statements of the Government of India, than the section in which nervous reference is made to the charges referred to. It is true that the Secretary of State's accounts are annually published, but not in a form favorable to audit; and, though this Chamber are ready to believe, that the Secretary of State is invariably anxious to draw for as little, and in as profitable a manner, as possible, they must

record their conviction that in the absence of safeguards, such as are afforded with regard to other items of national expenditure, it may be fairly presumed that there is still room for economy, and for the profitable exercise of special experience. The recent intimation by the Government of India of their desire to be supplied locally, instead of from England, with a few comparatively unimportant manufactures, may be the prelude to a more general recognition by the Government of the importance of encouraging local industries; but there is room for apprehension that such a disposition to dispense with the products of England will dispose influential persons at home, who now regard India as one of their best customers, to place every obstacle in the way of such a change; and, with the list of Home Charges before them, this Chamber do not feel convinced that the interested views of such opponents may not assist in warping the judgment of the Council of India.

If, then, instead of essaying to give an arbitrary value to silver coins, the Government of India determine to do more to assist the country to assist itself, some of the evils from which commerce is now suffering would probably be removed by the increased prosperity of the country at large, resulting from decreased taxation, and the greater development of manufactures. The recent sudden stoppage of all but emergent public works throughout the country is nothing less than a sacrifice of the future in the hope of securing relief from the oppressive weight, not so much of exchange, as of the Home Charges. The probable effect on exchange of the reduction of those charges need not be suggested; but the effect on India could not but be beneficial; and commerce cannot fail to have its share of any increase in the prosperity

of the country. The causes of the depreciation of silver, and the prospects of that metal are questions upon which this Chamber decline to dogmatise; but they see no reason for difference of opinion as to the importance of probing thoroughly a fertile cause of financial embarrassment, whatever may be the value of that metal. This evil is one that admits of immediate and exhaustive investigation; and the recent assertion of paramount authority by the Secretary of State seems to indicate in what way, at the present time, the hands of the Government of India can best be strengthened by the Chambers of Commerce in this country and at home. That Government are held immediately responsible to Her Majesty's Government, and to public opinion at home and in India, for the state of this country's finances; and it appears to this Chamber that however desirable it may be that the Council of India should sanction proposals for new legislation, the Government of India should have as great a control over expenditure for India in England, as they have over local expenditure; and that in this respect the Secretary of State should act strictly as their financial agent, rather than, as he virtually now does, as an independent corresponding firm.

I have the honor to be,

Sir,

Your obedient Servant,

C. S. LAWSON,

Secretary.

To Chamber of Commerce, Madras.

Calcutta, 9th October 1876.

Your letter of 31st August having had the attention of the Committee of the Chamber I am instructed to express their thanks for the very full acknowledgment it conveys of the resolutions submitted for the consideration of the Government of India, and the opinions which your Chamber entertains of the measures suggested with the view to arrest the further depreciation of our legal standard and to protect the various interests which would be gravely affected by such continued depression.

Although those opinions are adverse to the views entertained by this Chamber, my Committee receive your criticisms in the same cordial spirit in which you have been good enough to express them, and their regret is that they have not succeeded in carrying your Chamber with them.

I am at the same time to explain that there is a misapprehension on your part of the purpose of the 2nd Resolution, for it was not intended that the Indian mints should be altogether closed—a measure which would no doubt have been attended with mischievous results—but that the obligatory clauses of the mint and currency Acts should be suspended at the discretion of Government. Nor did this Chamber advocate the prohibition of the import of silver; they only suggested that the mint and currency departments should not be bound to receive silver bullion for coinage except at the option of Govern-

ment. These points were fully enunciated in the Committee's letter of 22nd July, a reperusal of which is requested.

As to the imperative necessity for a rigid and vigilant economy in the expenditure by the Secretary of State of nearly one-third of the revenue of this country the Committee unreservedly concur in all that you advance; but they apprehend that vested interests at home are too strong to admit of an impartial scrutiny of the charges incurred and sanctioned by the Secretary of State unless the authority of Parliament is exercised to obtain an independent and trustworthy investigation.

*From Chamber of Commerce Bombay, to Chamber
of Commerce, Calcutta.*

Bombay, 10th October 1876.

On receiving your letter of the 24th July last, with the proceedings of the Special General Meeting of your Chamber held on the 15th idem, my Committee immediately gave the same their most careful consideration, but they found themselves unable to support the second Resolution of your Chamber that clause 19 of Act XXIII of 1870, and also section 11 clause (6) of Act III of 1871, be temporarily suspended at the discretion of Government; and that during such suspension, or till further notice, it be not lawful to import coined rupees from any foreign part.

Feeling, however, that it was a subject on which there might be much diversity of opinion, they deemed it advisable to take the views of the Members of this Chamber upon it, and your letter of the 24th July, with the proceedings of the Special General Meeting of the 15th idem, were therefore circulated among them. The papers have only now been returned from circulation, and the majority of the members being decidedly opposed to the resolutions, the Committee are unable to support them; and as the Government has already given its decision, it is perhaps unnecessary to enter into particulars.

COUNCIL BILLS ON INDIA.

The Chamber's last Report contained the correspondence on this subject with the Government of India, and the following letter from the Secretary of State to the Governor General in Council closes the discussion.

Financial, No. 279.

*To H. E. the Right Honorable the Governor General
of India in Council.*

INDIA OFFICE,
London, 13th July 1876.

MY LORD,

Para. 1. I have considered in Council your Financial letter, dated the 4th May 1876, No. 153, and the

papers therewith forwarded, relative to certain representations from the Bengal Chamber of Commerce, regarding the condition of the money market in Calcutta.

2. In their letter, dated the 19th April 1876, the Bengal Chamber of Commerce stated that the condition of the money market in Calcutta was such as to occasion the gravest apprehension; that in their judgment that condition was mainly attributable to the suspension of the bi-monthly drawings on the Indian Treasuries; that the uncertainty as to the measures which might be adopted by the "Secretary of State in respect of his requirements, forbids calculations being made with any degree of safety, obstructs the ordinary course of business, and creates incalculable mischief to all interests;" that in the Budget Statement the Financial Member estimated that the drafts on India would realize only 1s. 8½d., and that even a lower rate might have to be accepted, thereby leading the public to believe that at such figures the Secretary of State would sell his bills. Acting on such belief, the exchange banks took no measures for the purchase of silver, or other means of remittance, though their wants were so pressing; instead, however, of adopting the Budget rates, the Secretary of State arbitrarily adheres to a higher exchange, causing thereby greater stringency than ever;" that "to some extent, no doubt, the suspension of a long continued practice has been justified by exceptional circumstances; but it appears to the Committee that the unfavorable conditions under which the Secretary of State must negotiate his drafts on India cannot be improved by a temporising policy," and that it is due to those who have hitherto enabled

"him to finance with ease and facility, and to the merchants of India, whose operations contribute a considerable share of the public revenue, that they should be protected by the immediate declaration of a definite purpose, and freed from an irresolute and fluctuating procedure."

3. In attributing the condition of the money market in Calcutta to the suspension of the bi-monthly drawings, the Chamber of Commerce appear to have been imperfectly informed of, or to have overlooked, the circumstances attending the recent transactions in regard to bills on India.

4. During the autumn of 1875, and up to January last, the rates of exchange offered for bills on India gradually declined to 1s. 9½d. the rupee, but the amount tendered continued to be very large.

5. Tenders were invited for Rs. 70,00,000 bi-monthly, and the tenders received were—

	Rs.
On the 3rd November 1875	... 4,63,80,000
" 17th " "	... 4,47,12,000
" 1st December "	... 4,98,45,000
" 15th " "	... 7,14,30,000
" 5th January 1876	... 5,23,10,000.
" 19th " "	... 3,35,40,000

The lowest rate tendered on the 19th January being 1s. 9½d. Notwithstanding the unfavorable exchange, the full amount for which tenders were invited was accepted up to the last drawing in January.

6. On the 2nd February the total amount tendered was only Rs. 33,57,000, at rates varying from 1s. 8½d. to 1s. 8¼d., which was less than half the amount for which tenders had been invited.

7. It was obvious that a change in the requirements of commerce, a feeling of alarm as to the action of European Governments in relation to the currency, or as to the probable extent of the increased production of silver, had suddenly produced a serious disturbance in the demand for bills, which was calculated to exercise a very injurious effect in regard to the remittances.

8. Under these circumstances, the tenders on the 2nd February were not accepted, and the amount for which tenders were invited for the 16th of that month was reduced to Rs. 50,00,000. On that date, the tenders amounted to Rs. 1,82,24,000, but at lower rates of exchange, and none were accepted. On the 1st March the tenders amounted to Rs. 30,70,000. The rates offered, being still lower, were not accepted. On the 15th March the total amount tendered was Rs. 27,60,000 only, but at slightly improved rates, and three lacs were accepted. On the 5th April Rs. 43,00,000 were tendered, and, the rates being again lower, none were accepted, but the tenders on the 19th April having increased to Rs. 1,76,00,000, and being at better rates, tenders for 50 lacs were accepted, and on the 3rd May tenders were accepted for Rs. 48,10,000; after which date the amount for which tenders were invited was raised to Rs. 70,00,000 bi-monthly.

9. To whatever causes the disturbance in the demand for remittances, and the consequent effect on the money

market in Calcutta was attributable, it obviously was not caused by the rejection of tenders for bills on India, as the tenders were accepted for the full amount up to the end of January, when the total amount tendered, as already stated, suddenly fell from Rs. 5,23,10,000 tendered on the 5th January and Rs. 3,55,40,000 on the 19th January, to Rs. 33,57,000 on the 2nd February.

10. It might with more reason be urged that the disturbance, of which the reduction in the demand for bills was an evidence, was consequent on tenders being accepted for so large an amount as Rs. 1,40,00,000 a month, during the period when the rates of exchange were steadily declining.

11. The remittance to this country annually of so large a sum as 15,000,000l. to pay interest on money expended in India on railways and irrigation works, and for other purposes of Government, to pay for stores annually required for India, charges for effective and non-effective services for British troops on the Indian Establishment, furlough and retired pay of Civil and Military Officers and servants of the Government, and other expenditure which must be defrayed from the Home Treasury, demands at all times much care in order to obtain the amount required on favorable terms; but at a time like the present, when the demand for remittances is influenced by a fall in the price of silver, by apprehensions as to the amount of silver which may at any moment be placed in the market by the German Government, and by the unfavorable state of trade, the difficulty of obtaining the required remittance is greatly increased; and I could not consent to undertake to accept

any tenders which might be made without reference to the rates of exchange offered, or the amount of bills for which applications might be submitted.

12. I request, therefore, that you will inform the Bengal Chamber of Commerce that, while the Secretary of State in Council is fully sensible of the importance of avoiding any measure which might increase the uncertainty in regard to the India exchanges, he cannot admit that any estimate made in connection with the Budget Statement of your Government, which had not been then forwarded to or considered by him, as to the rate of exchange which drafts on India might realize during the year 1876-77, ought to be regarded as an intimation that the Secretary of State would sell his bills at that rate, and that he must reserve to himself full liberty to take from time to time such measures as he may deem called for with reference to the state of the exchanges and the demand for bills on India.

I have the honor to be,

My Lord,

Your Lordship's most obedient, humble Servant,

SALISBURY.

Revision of the Consolidated Customs Act.

The Committee were unable to state in their last Report what action the Government would take in the matter of revising the Customs Act; they had again pressed the expediency of

amending it in a letter dated 7th February last, which appears at page 41 of previous Report; but in July the Committee were informed, in reply, that the Lieutenant-Governor had recommended to the Government of India the appointment of a Committee to consider the question submitted by the Chamber.

Since then a Bill to amend the Act has been introduced into the Imperial Legislative Council, the necessity of a thorough amendment having been recognised; and a Committee is now engaged in discussing the various provisions which the Bill contains.

◀ CUSTOMS DUTY ON COTTON YARN.

The following letter from the Government of India is an answer to the Committee's representation of 13th May last—given in their previous report—in which they urged the abolition of duties levied on cotton yarn imported from Great Britain. The Committee pressed for this as a first instalment of relief to the trade in British cotton manufactures which was unquestionably and admittedly in need of it, and they trusted that the immediate removal of that portion of the burden would be followed by the total abolition of duties charged on the manufactured fabrics of Manchester and

other seats of similar industry in the United Kingdom.

With the view to satisfy the Government that their application for the free importation of British cotton yarn was based on grounds which could not be disputed, the Committee submitted statements of the exports of that article from Great Britain to India for the year 1875 and a closely estimated production during the same period of the mills of Bombay and Calcutta, exhibiting a result which placed the former at a seriously preponderating disadvantage with the latter. They also pointed to the fact that very large quantities of low counts of Indian yarn had been imported from Bombay, greatly in excess of previous receipts from that port, and which had displaced the consumption of British yarn to the extent of such importation and prejudicially influenced the prices ruling for the latter in the Calcutta market.

The protective character of the import duty and the mischievous results of its continued imposition were obvious; and the Committee placed the bare facts before the Governor General in Council for His Excellency's favourable consideration.

It will be seen, however, that, although Her Majesty's Government confirm their already declared policy that the removal of the whole duty on imported cotton goods and yarn is subject only

to the ability of this country to bear the loss of the large revenue derived from that source, the financial position is not such as will admit of a present release of those staple imports from their contribution to the public treasury.

No. 496.

From Govt. of India to Chamber of Commerce.

Simla, 1st September 1876.

I am directed to acknowledge the receipt of your letter dated the 13th May 1876, representing on behalf of the Committee of the Bengal Chamber of Commerce that, in their opinion, some relief from taxation should be immediately given to the trade in imported cotton goods and yarn, and asking that a period may be fixed for the total abolition of the duties on these commodities.

2. The Governor General in Council gathers that the Committee advocate the immediate repeal of the duty on all imported twist, which they state amounted in 1875-76 to 8½ lakhs of rupees.

Since your letter was written the Government of India have received a further despatch from the Secretary of State for India in Council, No. 9, dated the 31st May 1876, in which the Marquis of Salisbury re-affirms the policy of Her Majesty's Government that, subject always to the paramount importance of guarding the Indian Treasury from embarrassment, the Government of India should look to the speedy removal of the whole duty on imported cotton goods and yarn. The mode in which

this policy should be carried out is left entirely to the judgment of the Governor General in Council, and it is admitted that under the circumstances of the present year no early progress towards the desired end can be expected.

3. It will be the duty of the Government of India to endeavour to give effect to the policy of Her Majesty's Government as quickly as circumstances will allow of its doing so.

The Committee of the Chamber will, doubtless, have perceived, since your letter was written, that the financial prospects of the current year are not such that the Governor General in Council could at the present moment forego any existing source of revenue; but the possibility of a reduction of the duties on the import of cotton goods and yarn will be carefully reconsidered when the financial arrangements of the coming year are made.

The Governor General in Council cannot indeed hold out the expectation that it will be in his power then, any more than now, to relinquish any existing revenue; but His Excellency in Council will duly bear in mind the views and wishes expressed by Her Majesty's Government on the subject of these duties. >

SURVEY OF THE RIVER.

The circumstances connected with the grounding of the "Mahableswar," as published in the Government Resolution of the 31st May last,

showed so imperfect a system of communicating prompt information to pilots of changes in the channels, as to induce the Committee to address the Government again most strongly on the subject of reform in this respect. The correspondence has led to the Committee being furnished by the Government with copy of an interesting report from a Committee appointed to consider the whole subject. This report embraces not only the immediate question of the survey of the river, but enters fully into the whole question of the management of the approaches to the port. The reforms it suggests are so important, and the economy in working so apparent, that the Committee of the Chamber confidently hope no further time will be lost in the recommendations being adopted by the Government. The report has already been under consideration for nearly 5 months.

*From Chamber of Commerce to Govt. of Bengal,
Marine Department.*

Calcutta, 13th June 1876.

The Resolution of the Government of Bengal regarding the grounding of the ship *Mahableswar* as published in the *Calcutta Gazette* of 31st May, has attracted the notice of the Committee of the Chamber of Commerce.

The Committee fully recognise the hardship inflicted on the owners of that vessel in having so heavy a disbursement forced on them unnecessarily; a disbursement, they would add, that might have been avoided by the exercise of the simplest common sense on the part of the Government officials.

They desire me, however, to direct your attention to what they consider two serious defects of management on the part of the marine authorities as brought to light in this Resolution.

In the first place, it would appear from the wording of the Resolution that the Government consider it no part of the duty of the Master Attendant to examine the charts sent to his office unless his attention is specially drawn to them by his subordinate officer, the marine surveyor. In this particular instance, as his attention was not particularly called to the alteration in the Rungafulla channel, he is exonerated from all blame in having passed on the chart to be phot zincographed "as usual" without any examination; while the surveyor "hitherto honorably distinguished by vigilance" is held to "have committed a grave neglect of duty." This censure may be, and no doubt is, just; but the Committee feel that equal and even heavier censure should have been passed on the Master Attendant. He is the principal marine officer of the Government of Bengal, and has charge of all the approaches to the Port; and it seems to the Committee that he cannot divest himself of one inseparable part of the duty attached to such charge, viz., to keep himself fully informed of all changes in these approaches as they occur; nor ought he to endeavour to screen himself be-

hind the *laches* of the surveyor. The surveyor is blamed, and perhaps rightly so, for having omitted specially to notice this one important alteration.

The circumstances as detailed in the Resolution disclose such a lax system and so little appreciation of the duties required of them as to reflect no credit on those officers. Such a state of things would not be tolerated in any other British port, and the matter is one that in the opinion of the Committee requires the interference of Government.

The next point is one that has apparently escaped the notice of the Lieutenant-Governor, but to which the Committee would desire to draw His Honor's attention.

The surveyor it seems finished and despatched his chart on the 8th January, but it did not reach the Master Attendant till the 13th. Considering that Mud Point is only a day's dāk or steam from Calcutta it is unaccountable how there should have been a delay of five days in this chart reaching the Master Attendant, and the Committee feel confident His Honor concurs with them in requiring explanation on this point, as well as a reason why the telegraph was not used for communicating the change.

On referring to the shipping lists the Committee find that between those two dates the river was crowded, more than is usually the case, with ships and steamers on their way up and down, among them several heavily draughted men of war: and the only wonder is that this accident is the only one reported, and that there were not several others of a more serious nature.

As far back as October 1872 the Committee brought to the notice of Government the inefficient manner in which the survey of the river was conducted: the subject was again pressed on their attention in 1874 and 1875; and the last the Committee heard of it was that a scheme had been forwarded for the favorable consideration of the Government of India: and they will be glad to learn the result of their application—now four years old.

A copy of this letter will be sent to Messrs. Lyall, Rennie and Co., to be forwarded to the owners of the *Mahableswar*.

From Govt. of Bengal to Chamber of Commerce.

Calcutta, 19th June 1876.

General Department.
Memo—No. 1719.

In acknowledging the receipt of your letter dated the 13th instant, regarding the grounding of the ship *Mahableswar*, I am directed to point out that the wording of the Government Resolution, published in the *Calcutta Gazette* of the 31st May, does not appear to have conveyed the facts of the case with entire accuracy to the apprehension of the Committee of the Chamber.

2. It is the duty of the River Surveyor, when any change occurs in the navigating channels of the river, to send a sketch and a report of the Master-Attendant for communication to the Pilot Service. In the present instance Mr. Laycock unfortunately neglected this duty. A material change in the Rungafulla channel was brought to

his notice, but the usual sketch and report were not sent to the Master Attendant.

3. From time to time, such changes as have occurred in the channels, and have been reported in the manner referred to above, are embodied in charts, which are forwarded by the River Surveyor to the Surveyor-General, through the Master Attendant's office for reproduction by photo-zincography. It is no part of the Master Attendant's duty to scrutinize these charts. It is distinctly understood that nothing will appear in the chart which has not already been the subject of a special sketch and report.

4. It follows from this that the charts are not matters of such special urgency or importance as to require transmission by special messenger, or telegraphic intimation of their contents. They are subsidiary documents, embodying and recapitulating information which has already been communicated. In this case, the river survey vessel (the *Kodgeroe*) by which the chart would in ordinary course have been forwarded happened to be absent on duty at the Sandheads, and the River Surveyor accordingly sent the packet on board the pilot brig, with a request that it might be sent up to Bankshall by the first inward-bound vessel. If the River Surveyor had done his duty by reporting the change in the usual manner, the delay of a few days in the transmission of the chart to the Master Attendant's office would have been of no importance whatever.

5. With regard to the concluding paragraphs of your letter, I am to explain that the reorganization of the Hooghly Survey Service has, for some time past, been the

subject of correspondence between this Government and the Government of India, and I am to forward, for the information of the Chamber, the accompanying copy of a Resolution dated the 2nd May, appointing a Committee to consider and report upon the whole subject. It is hoped that the report of the Committee will very shortly be in the hands of the Government, and the final recommendations of the Lieutenant-Governor will be submitted for the approval of the Government of India with as little delay as possible.

RESOLUTION.

Calcutta, 2nd May 1876.

General Department.
Marine—No 1312.

READ

Letter No. 204, dated 1st March 1876, from the Government of India, Department of Revenue, Agriculture, and Commerce, with enclosures, suggesting the appointment of a Committee to consider the question of the re-organization of the Hooghly Survey Service.

On the suggestion of the Government of India, the Lieutenant-Governor has been pleased to appoint a Committee, consisting of the gentlemen named in the margin, for the purpose of enquiring into, and reporting on, the question of the re-organization of the Hooghly Survey Service.

Colonel C. T. Stewart, R. E., Superintending Engineer, North-Western Circle.	} President.
Commander A. D. Taylor, Superintendent of Marine Surveys to the Government of India.	
F. Laycock, Esq., River Surveyor.	} Members.
W. D. Bruce, Esq., C. E. Vice-Chairman, Port Commissioners.	

The Committee shall assemble in Calcutta on, or as soon as possible after, the 25th May 1876, and shall submit their report to Government as early as practicable.

2. A copy of the correspondence noted in the margin, on the subject will be forwarded to the President for the information of the Committee, with the intimation that the Lieutenant-Governor will be glad to furnish the Committee with any other papers which may be in the possession of this Government, and which will be likely to aid them in their enquiry.

3. The return of the original papers is requested when no longer required.

By order of the Lieutenant-Governor of Bengal,

H. LEE,

Acting Asst. Secy. to the Govt. of Bengal.

COPY forwarded to Colonel C. T. Stewart, R. E., to F. Laycock, Esq., and to W. D. Bruce, Esq., c. E., for information.

COPY, with copy of endorsements, forwarded to the Public Works Department of this Government, to the Officiating Deputy Master Attendant in charge, and to the Port Commissioners, for information.

By order of the Lieutenant-Governor of Bengal,

H. LEE,

Acting Asst. Secy. to the Govt. of Bengal.

From Chamber of Commerce to Govt. of Bengal.

Calcutta, 11th August 1876.

I am directed by the Committee of the Chamber of Commerce to acknowledge the receipt of your letter of the 10th June.

They are glad to find that the Master Attendant was not to blame, and that the censure they passed on him arose from a misconstruction of the Government resolution. They therefore willingly withdraw that portion of the letter.

I am requested however to ask you to favor them with further information as to the mode in which intelligence is conveyed to pilots of any changes in the principal channels of the river. As far as the Committee can gather from the Government resolution and your favor under reply, it would appear that no use is made of the telegraph, but that reports of changes are sent by the slow, old-fashioned post, or by boat. This information, though late, would be useful to pilots of vessels on the point of leaving Calcutta, but the Committee do not find any information as to how intelligence is conveyed to inward bound vessels.

They would also esteem it a favor if you can assure them that proper steps are taken to keep pilots of vessels, already on their way up or down, duly informed of these changes. As the pilot of the *Mahableshwar* was apparently ignorant of this particular alteration in the channel, inasmuch as the Government have acquitted him of all blame, the Committee fear vessels in this position are left very

much to take their chance. Whether this be so or not, it is clear that intelligence is not conveyed quick enough, considering the enormous traffic on the river, and they cannot too strongly urge on Government the necessity of adopting measures that will ensure the immediate receipt of intelligence by the Master Attendant, by pilots of ships on the way at the time, and by the pilot brigs at the Sandheads.

The navigation of the Hooghly is already dangerous enough, and ships, with their valuable cargoes, and still more valuable lives, should be protected from all unnecessary and avoidable risks.

From Chamber of Commerce to Govt. of Bengal.

Calcutta, 21st August 1876.

With reference to the Lieutenant-Governor's Resolution of 2nd May last under which a Committee was appointed for the purpose of inquiring into and reporting upon the question of the reorganisation of the Hooghly Survey Service, and as the Committee were directed to assemble on, or as soon as possible after, the 25th of that month, probably their Report has been sent in; and His Honor will much oblige the Chamber with a copy of it, if he sees no objection to its being furnished.

No. 2341.

From Govt. of Bengal to Chamber of Commerce.

Calcutta, 23rd August 1876.

General Department.
(Marine.)

With reference to your letter, dated 21st August 1876,

I am directed to forward herewith a copy of the Report of the Committee who were appointed to consider the question of the reorganization of the Hooghly Survey Service, and to state that the report is now under the Lieutenant-Governor's consideration.

Report of Committee assembled with reference to the Bengal Government Resolution No. 1313 of the 2nd May 1876, to consider the question of the reorganization of the Hooghly Survey Service.

PRESIDENT :

COLONEL C. T. STEWART, R. E., Superintending Engineer, N.-W. Circle.

MEMBERS :

COMMANDER A. D. TAYLOR, Superintendent of Marine Surveys to the Govt. of India.

F. LAYCOCK, Esq., River Surveyor.

W. D. BRUCE, Esq., C. B., Vice-Chairman, Port Commissioners.

1. The Committee feel that whatever may be the conclusions at which they arrive as to the best kind and amount of plant required for the purpose of carrying on a scientific survey of the river Hooghly, such plant cannot possibly be prepared, either here or in England, soon enough to meet the pressing demand for instantaneous action; so they deem it the right course to take to adapt present means, as far as possible, to what is wanted.

2. With this view the Committee have drawn out a

statement showing the possible modification of existing vessels, which may be effected between the present time and November next, when field operations should commence.

3. The Committee find that at present the quantity and quality of the work, as well as the rapidity with which it is performed, fall far short of the real demand, but that the following establishment is employed :—

SUMMARY.

	Per annum.
	Rs.
Surveyor's vessel	21,574
Assistant Surveyor's vessel	10,452
Row-boats	9,732
Buoy-vessel	16,668
Tidal semaphores	1,438
Stores and repairs of surveyors' vessels	22,044
" " " " boats	10,368
" " of buoy-vessel	24,000
" " of channel buoys and moorings	12,000
Total	1,28,276

Details of the foregoing will be found in appendix A.

4. The Committee understand that, as a temporary measure, and until a suitable vessel can be procured, the Government steamer *Nemesis* can be made over to the Survey Department, and on this assumption recommend that the following scale of establishment should be sanctioned from the 1st of November next. Details of this establishment will be found in appendix B :—

	Rs.
A Conservator in charge of surveying, buoying, and lighting	15,000
Office establishment	3,768

The Government steamer (paddle) <i>Nereis</i> for the use of the River Surveyor	...	...	54,540
The <i>Dolphin</i> , the present buoy vessel, to be kept on	...	...	23,712
A steam-launch (in place of the <i>Marie</i> , a wooden schooner of 70 tons) for the use of the Assistant River Surveyor	...	...	4,020
Tidal semaphore and sounding stations	...	...	7,006
Two surveyors at Rs. 450 each per month	...	...	1
Two native surveyors at Rs. 100 each per month	} For survey from Diamond Harbour to Nuddea.	...	10,800
Thirty chainmen at Rs. 8 each per month			
			2,880
Two famine steamers	...	...	8,400
Repairs of buoys and moorings	...	...	12,000
			<hr/>
Total cost of establishment for the year	...	...	1,45,126

or Rs. 16,850 over and above the cost of the present establishment; but the scope of the Conservator's operations is to extend to Nuddea, far above Calcutta, and the proposed estimates are to cover the cost of making a regular scientific survey of the river. In the course of the scientific survey, the number of tide-gauges, tidal semaphores, and wooden beacons will be increased, and pukka benchmarks will have to be established along the river shores; so that temporary tide-gauges may be erected at any spot for the accurate reduction of periodical soundings taken sectionally there. The expense of these marks will not be great, and may be considered as included in present estimate under the head of new tidal semaphores and new beacons and buoys and moorings.

5. CONSERVATOR.—It appears to the Committee that it would be a desirable arrangement if all the duties connected with the conservancy of the river were placed

under one control, instead of being distributed amongst several parties, as at present. The Conservator would prepare and correct the general charts of the river from the periodical local surveys sent in by his assistants.

Under the head of "the River conservancy," and which we propose should now be placed under an officer specially qualified to superintend the survey now to be carried out, may be comprised the following branches of the Marine Department:—

- (a.) The River Surveying Department, with its various duties.
- (b.) The light-houses and light-vessels of the river and its approaches.
- (c.) The houses of refuge on the sea face of the Soonderbuns.
- (d.) The Wreck and Anchor Department.

(a.) At present the duties of the River Survey Department are restricted to the surveying, marking, and buoying the various channels between Calcutta and the pilot station at the Sandheads; the publication of information as to the state of the channels, bars, &c., for the guidance of pilots; the superintendence of the different tidal and daily surveying stations and their establishments; the care of the river beacons, &c., and the compilation of tide tables and other necessary records. The Committee would bring to notice that there are several self-registering tide-gauges kept by the Executive Engineer of the Northern Drainage and Embankment Division, and recommend that these should be placed under charge of the Conservator, to whom reference could at any time be made by

other departments if requiring any information regarding them.

(b.) *Light-houses and Vessels.*—These have hitherto been under the entire control of the Master Attendant's Department, and, with the exception of suggesting suitable stations for them, and noting their position on the charts, the River Surveyor has had nothing to do with them. If a special officer is appointed as Conservator, under whom the River Surveyor would work, then the Committee would recommend the light-vessels being placed under his charge. The River Surveyor recommends that fixed moorings should be laid for the light-vessels in the Gasper Channel, to which the Committee can see no objection.

(c.) *Houses of Refuge.*—These, until recently, were under the superintendence of one of the officers of the Master Attendant's Department, and were regularly inspected, repaired, replenished, and visited after cyclones by him; but owing to a reduction of the Master Attendant's staff, these duties have devolved on the River Survey Department, and appear of late years to have been neglected, for the River Surveyor writes of them as follows:—

"More effectual measures than are now in practice could be adopted for rendering the houses of refuge what they should be, of replenishing and repairing them, and preventing their being indiscriminately plundered, as they have been for years past. In their present state there is every probability of the very cause that would put their services in requisition being the means of blowing them down and rendering them useless." The Committee recommend that measures should be taken to place these houses of refuge in a more satisfactory condition.

(d.) *The Wreck and Anchor Department.*—the duty of which is to recover lost anchors and remove obstructions caused by wrecks of sunken boats, vessels, &c.—has hitherto been superintended by an assistant of the Master Attendant; but the duties, the Committee consider, ought to be more effectually supervised by the proposed Conservator, whose assistants in the survey will be continually moving up and down the river; so they recommend that the *Vulcan*, the vessel at present employed on the duty, should be placed under his care and direction. The Committee strongly recommend that this vessel should not be employed except on its own legitimate duty, which is a very important one, and, if properly attended to, she would not be available for any other work. This remark is made as the "wreck and anchor" duty has been neglected in consequence of the *Dolphin* being sometimes employed at out-ports, when the *Vulcan* then has had to do her work. The *Vulcan* makes no difference in the calculations for the cost of establishment, as she pays her own way from what she realizes from the recovery of lost anchors.

6. "NEMESIS."—The *Nemesis*, proposed for the use of the River Surveyor, is a paddle-steamer of 660 tons. She is slow, her average speed being about $7\frac{1}{2}$ knots per hour, and consumes an immense quantity of coal, or 7 tons per diem of 12 hours instead of $3\frac{1}{2}$ tons. Therefore she is not a vessel the Committee would have chosen if they had any choice; but she is reported as being able to do the work required of her for the next two or three years, when the Committee hope that a suitable steamer, built for the purpose, will have been procured from England. If the Engineer of the Dockyard, after examining the *Nemesis*, consider she is sufficiently strong,

a majority of the Committee consider that she might at once be fitted with buoy-davits abaft (as the *Dolphin* is fitted), and would thus be able in fine weather to carry and by herself to lay down one second or third-class buoy at times when it would be inconvenient to detach the *Dolphin* from her regular work. This fitting would involve the strengthening of the plates in the vicinity of the davits by wooden sheathing, or otherwise, as builders might determine best. An expenditure of some Rs. 5,000 in this manner would, in the Committee's opinion, prove valuable, and a tentative measure by which the River Surveyors would be enabled to gather practical knowledge of the advantages and requirements of a *steam buoy-vessel and surveying vessel combined*. With such an appliance the vessel would hoist a small steam-cutter on one side and a buoy on the other.

7. "DOLPHIN."—The *Dolphin*, the present buoy-vessel which was substituted for the *Grappler* some months ago on the latter being condemned, is a strong little vessel, well adapted for the work required of her, but she is rather small. However, the Committee consider that she will answer very well at present, with the assistance of the steamer when necessary. At present there is a commander and two officers in the *Dolphin*, but the Committee propose taking one officer out of the *Dolphin*, because her present establishment is kept up in view of her being occasionally sent away to conduct the buoyage at Chittagong, False Point, and some intermediate ports. The Committee recommend that the *Dolphin*, when not in use, should be anchored in the creek at Diamond Harbour, where her establishment would be made the most use of.

8. STEAM-LAUNCH.—A steam-launch is required for the use of the Assistant River Surveyor. She should be able to go in rough weather beyond Diamond Harbour, and it is recommended that the most suitable vessel of the sort procurable should be obtained for immediate use. The duties of this launch will be, taking soundings on narrow and shallow places where the larger steamer cannot be used; also as a general despatch boat and tender for speedy communication with vessels, telegraph stations, post office, &c., and any other purposes where speed and economy of fuel are necessary.

9. FAMINE STEAMERS.—There are three or four out of use, and one of them might easily be altered, the same as already has been done for No. 10, to adapt it for the use of the surveyors above Diamond Harbour, at but a trifling cost. The monthly expenses are calculated from what similar steamers cost in the port.

10. With the revised establishment for the tidal semaphore and sounding stations, the present establishment is disposed of, and the following vessels will be dispensed with:—

The <i>Kadgeres</i>	... Used by the River Surveyor.
The <i>Marie</i>	... Ditto Assistant Surveyor.
Boat <i>Leadsman</i> .	
Dik Boat.	
No. 4 Row-boat.	
No. 6 Row-boat	... Paid by Master Attendant, and can be struck off if not required by him.
No. 10 Row-boat.	
No. 11 Row-boat.	

11. The Committee propose to divide the survey of the river into two sections,—one from Diamond Harbour to the Sandheads, including the “James and Mary Sands;” and the other from Diamond Harbour upwards, as far as the survey may extend. The *Nemesis*, *Dolphin*, and steam-launch, with their establishments, are for the lower part of the river. The two famine steamers, of which No. 10, now in use by the River Surveyor, might be one, with surveyors and chainmen, are for the upper portion. In determining the number of surveyors required, the Committee have been guided by information received from the Revenue Survey Office. They can obtain from that office a correct outline of the banks of the river, with bench-marks all along, and levels along portions of it for almost as far up and down the river as necessary; but there is yet a great deal of information to be obtained, for which the establishment applied for is required. After the primary scientific survey is completed, the Committee consider that one steamer, with one surveyor and an assistant, with five chainmen, will suffice for the upper section above Diamond Harbour.

12. PROPOSED PERMANENT ARRANGEMENTS.—The foregoing propositions are what the Committee recommend should be at once sanctioned to place the Survey Department on a more efficient footing, and to carry out a scientific survey of the whole tidal basis of the Hooghly.

13. NEW STEAMER FOR SURVEY AND BUOYAGE.—In paragraph 6 it has been pointed out that the *Nemesis* is not a vessel which they would recommend to be employed permanently on the survey, as she has already been condemned as a sea-going vessel, and is ill-adapted for use

as a buoy-vessel. The duties of a buoy-vessel may be placed under two heads. First, lay down new buoys, shifting buoys, and replacing damaged ones. For this purpose a steam-vessel is urgently required, as the work is of so important a nature that it should be done with the least possible delay. The present arrangement is for the River Surveyor to mark out the position of the stations by what is called a “nun buoy;” and then the *Dolphin* comes leisurely along and fixes the buoys—a most unsatisfactory way of doing the work, as it necessitates both the River Surveyor’s vessel and the *Dolphin* being employed and causes great delay, which means increased risk to life and property. The second duty, overhauling and painting the buoys, which consists in lifting them out of the water with their moorings, carefully examining, making all necessary repairs, and painting them. At present the *Dolphin* does this work. But the Committee considered that, when the new steam buoy-vessel arrives, the *Dolphin* may be dispensed with, as, during the three fine months of the north-east monsoon the two steam-launches will suffice to do all the outer sounding work, and the steam buoy-vessel can with her special appliances then be employed in overhauling and repairing the moorings. In case of the steam buoy-vessel having to come to Calcutta for repairs, or from any other cause not being available for the above work, the *Dolphin* might then be sent down in tow of the large steam-launch to do the work, a portion of the crew of the steamer being put on board of her for this purpose.

14. The Committee therefore recommend that a screw steam-vessel should be built for the use of the River Surveyor of 300 tons, fitted with high and low pressure

condensing engines, so as to obtain the utmost speed with the least possible consumption of coal; fitted with all appliances for buoy work; capable of taking out a first-class buoy in rough sea, or of carrying a couple of second-class buoys when necessary. It should have accommodation sufficient for the number of officers and natives as shown in Appendix C as the establishment for the vessel; she should have a chart-room on deck, and one of her boats ought to be a steam-launch, similar to those in the Royal Navy.

15. In paragraph 8 the Committee have recommended that a steam-launch should be provided for the use of the Assistant River Surveyor; but as it is not probable that a vessel specially adapted can be procured, a new steam-launch should be constructed for the special duties mentioned in paragraph 8. She should be a boat of between 30 and 40 tons, and of such a build that she could be used between Diamond Harbour and the Sandheads in rough weather, independent of the River Surveyor's steamer.

16. The cost of the vessels recommended above, and of one of the two famine steamers which we propose to retain permanently, we estimate would be as follows:—

	Rs.
Steamer for survey and buoyage supplied with small launch	1,60,000
Large steam-launch	25,000
Famine steamer	15,000
Total	2,00,000

17. When the new steamer is ready, and the primary

sectional survey complete, the annual cost of establishment will be as follows. The details are given in appendix C:—

	Rs.
Conservator	15,000
Office establishment	3,768
Steam buoy-vessel and River Surveyor's vessel combined	53,100
Steam-launch	5,460
Tidal semaphore and sounding stations	7,606
Repairs of buoys and moorings	12,000
Establishment at depot Diamond Harbour	1,193
1 Famine steamer	4,200
1 Surveyor	5,400
1 Native Surveyor	1,200
5 Chaitunns	480
Interest on capital debt	12,214
Depreciation	10,000
Total	1,31,556

This shows only an increased annual expenditure of Rs. 3,280 over present cost, but with a very much more efficient establishment, including interest on outlay and depreciation of stock, which is not taken in the account in the Rs. 1,28,276, the present yearly expenditure. Without interest and depreciation the total is Rs. 1,09,342.

The Committee would here bring to notice that this amount appears to have been taken from the accounts for 1873-74. But from later official returns received by the Port Commissioners from the Accountant-General, the actual annual expenditure for 1872-73, 1873-74, and 1874-75 was as follows:—

Years	Establishment	Stores	Repairs and carcals.	TOTAL
	Rs.	Rs.	Rs.	
1872-73	65,706	46,474	27,382	1,39,562
1873-74	49,053	42,882	36,775	1,28,710
1874-75	57,863	66,903	55,278	1,63,044

This gives an average of Rs. 1,43,773 per annum, or Rs. 12,217 in excess of the establishment now proposed.

18. In some of the reports which have already been before Government there has been a recommendation that the River Surveyor should make Diamond Harbour his head-quarters; so the Committee have carefully considered the subject, and have even visited the place, so as to be able the better to form an opinion. Whereas formerly it was most desirable that Diamond Harbour should have been the head-quarters, with the introduction of steam-vessels there is not the same necessity; but if River Surveyor is furnished with a steamer such as recommended, he should be induced to make Diamond Harbour his head-quarters as much as possible when not employed on survey duty, being in the very centre, or nearly so, of all his work. There is a nice creek at Diamond Harbour where his steamer can be safely and comfortably moored, and close by is the Public Works bungalow, which is used as a dāk bungalow, and might be made available for the Survey Department free of rent, with the understanding that one of the rooms should always be made available for the Public Works Department officers when requiring it, or for the use of a traveller. The Assistant River Surveyor could carry on his duties quite independently of the River Surveyor's steamer in the new launch as proposed, with Diamond Harbour as his head-quarters.

19. The Committee recommend that a depôt should be established on the bank of the Diamond Harbour creek for coals, buoys, and moorings; it will be found most useful, and will no doubt be a saving in the end. A small outlay will be necessary to prepare the site to construct a small jetty from which the coal, &c., can be put on

board the steamers, and a place for the establishment to live in, which in the first instance need only consist of—

	Rs.
A Baboo on Rs. 30 per month ...	30
Two durwans or chowkidars at Rs. 7 ...	14
Contingencies to meet cost of coaling, &c. ...	50
	—
Total monthly cost ...	94
	—

20. If the tide-gauge is placed under the Conservator, as proposed in paragraph 5, then the Baboo employed on it, who receives Rs. 15 a month, might get the berth in the depôt at Rs. 25 or Rs. 30, and do both the duties.

It may be found more economical to have a small establishment kept up at Diamond Harbour for the repair of buoys, &c., instead of sending them, as at present, all the way up to the Kidderpore Dockyard for the slightest repairs. The Committee do not recommend the arrangement, knowing the objection there is to multiplying establishments; yet they consider it a point worthy of consideration, and recommend that it should be left to the Conservator to decide whether he can get the work done equally as well at Diamond Harbour without materially increasing the cost. In calculating the cost, the pay of a row-boat should be taken into consideration, as one of them would be continually employed taking buoys backwards and forwards to Kidderpore for repair. The Committee would bring to notice that Rs. 12,000 have been allowed in the estimates for the repairs of buoys and moorings. The question merely is whether the repairs

shall be executed at the Kidderpore Dockyard or Diamond Harbour.

C. T. Stewart, Colonel, r.e., *President*.
A. D. Taylor,
William Duff Bruce, } *Members*.
F. Laycock,

NOTE.—I have signed this, but with reference to paragraph 13. I think it will be necessary to keep the *Dolphin* in Calcutta as a stand by, in the event of any accident happening to the steam busy-vessel or other emergency.

F. L.

No. 2033.

Copy (report with appendices) forwarded to the Officiating Deputy Master Attendant in charge, with the request that the Lieutenant-Governor may be favoured with an early expression of his opinion on the proposals of the Committee.

No. 2034.

Copy (report with appendices) forwarded to the Port Commissioners, with a request that the Lieutenant-Governor may be informed whether the Commissioners concur in the recommendations of the Committee.

By order of the Lieutenant-Governor of Bengal,

H. H. RISLEY,

Acting Asst. Secy. to the Govt. of Bengal.

From Chamber of Commerce to Govt. of Bengal.

Calcutta, 24th October 1876.

The attention of the Committee of the Chamber of Com-

merce has been drawn to a communication in "The Statesman," newspaper of yesterday regarding the state of the river where the steamer "*Cawdor Castle*" was lost on the 7th instant.

Although that communication is anonymous and unauthenticated it nevertheless publicly declares that the river surveyor knew nothing of the state of the channel, and either impliedly charges that officer with gross neglect of duty or else affords, if the statement be true, another instance of the utter uselessness of the present system of survey. The Committee therefore consider it imperative that they should bring the matter officially to the notice of Government in order that the Surveyor should have the earliest opportunity of vindicating his conduct and of satisfying the Government that his survey of the channel in question has been made with every degree of accuracy which it was his duty to determine; and that for the loss of life and property recently sustained he is in no way responsible.

This lamentable occurrence is a superadded illustration to the numerous casualties in the river of the paramount necessity for placing the survey service on the most efficient footing, and introducing such amendments of the present system as may be called for by the exigencies of the increasing commerce of the Port, and—to use the words of the Survey Committee in their late report to Government—"to meet the pressing demand for instantaneous action:" and the Committee of the Chamber of Commerce trust that this present renewal of their oft-repeated representations for four years regarding the river and the most effectual means of maintaining its channels

in a securely navigable condition will engage the attention of His Honor the Lieutenant-Governor.

P. S.—The letter referred to is affixed for convenience of reference.

MARINE SURVEYS.

Further correspondence on this subject has taken place, but as yet with no better result than before. The matter has been constantly brought to the notice of Government for four years, and we are still without any legislative enactment to correct what the Government themselves allow to be a disgrace to our port. As far back as May of last year a strong representation was made to the Government of India by the Bengal Government, but the matter remains in abeyance, for no other apparent reason than a mistaken notion that it should form part of a comprehensive new Merchant Seamen's Act. It has been more than once pointed out to the Government that there is no necessary connection between the two; successive Committees of the Chamber have pressed for a short local act; for four years this simple remedy has been denied; unseaworthy ships have been allowed to leave the port; and the Government of India look on complacently.

From Govt. of Bengal to Chamber of Commerce.

Calcutta, 11th July 1876.

The attention of the Lieutenant-Governor has been drawn to a remark at page 11 of the Proceedings of the Half-yearly General Meeting of the Bengal Chamber of Commerce held on the 31st May last, prefixed to the printed report of the Committee of the Chamber. The Vice-President, who was Chairman of the meeting, stated that on the question of marine surveys the Committee had nothing satisfactory to report, as the matter had remained in abeyance, pending the consolidation and amendment of the Merchant Seamen's Act, and that a communication from the Chamber urging immediate legislation had met with no response.

2. It is presumed that the communication referred to is your letter to Government, dated the 15th January last, and, with reference to this, I am to point out that it has already been explained to the Chamber that the recommendations of the Government of Bengal on this question were laid before the Governor-General in Council in December 1873, and I am to add that among the papers then submitted to the Government of India was your letter of the 5th November 1873, which embodies the recommendations both of the Chamber of Commerce and of the Commissioners for the Port of Calcutta. It will probably be thought that legislation on such a subject as that of marine surveys could not suitably be initiated in the Bengal Local Council, and that any action which it might be determined to take would have to be taken by the Supreme Government.

3. It is not clear whether the Committee of the Chamber accept the opinion expressed by their Vice-President that there is no immediate connection between the questions of passing an Act for the survey of ships and of amending the law relating to merchant seamen. But it is to be observed that the Act of the 38th and 39th Vic., Chapter 88, which gives further powers to the Board of Trade for stopping unseaworthy ships, may be cited as the Merchant Shipping Act, 1875, and is to be construed as one with the Merchant Shipping Act of 1854, and with the subsequent Act amending the same.

4. With reference to the remark that the question of marine surveys had remained in abeyance up to the date on which the meeting of the Chamber was held, I am to request attention to this office memorandum No. 120, dated the 17th January last, and to the reply from the Chamber, dated the 8th February, on the subject of the modifications necessary for extending the Merchant Shipping Act of 1875 to British India. This correspondence is referred to in the report of the Chamber, and the recommendations of the Government of Bengal were submitted to the Supreme Government in my letter No. 1496, dated the 23rd May 1873, a copy of which is herewith annexed for the information of the Chamber. It appears to the Lieutenant-Governor that, under these circumstances, the remark that the question of marine surveys had remained in abeyance required some qualification, and that the non-receipt of any direct reply to your letter of the 15th January was sufficiently explained by the fact that an expression of the opinion of the Chamber had been invited on a communication from

the Government of India which had an important bearing on the question.

5. The Lieutenant-Governor desires me to assure the Committee of the Chamber that the suggestions and recommendations of the Chamber of Commerce invariably receive the fullest consideration from the Government of Bengal.

From Govt. of Bengal to Govt. of India, Dept. of Revenue, Agriculture, and Commerce.

Calcutta, 23rd May 1876.

I am directed to acknowledge the receipt of your letter No. 429, dated the 28th December 1875, and to say that the Lieutenant-Governor, after consulting the Chamber of Commerce, the Master Attendant, the Board of Revenue, and the Commissioners of Chittagong and Orissa, desire to submit the following suggestions for the consideration of His Excellency the Governor-General in Council.

2. The question of the necessity of establishing a system for the survey of cargo vessels of the mercantile marine has been discussed in detail in the papers submitted with the letters noted on the margin, from this office to the Government of India, in the Department of Revenue, Agriculture, and Commerce. The subject has again been brought to the notice of the Lieutenant-Governor in two letters recently received from the Vice-Chairman of the

No. 4679, dated the 31st December 1875.

No. 1304, dated the 23rd April 1876.

Port Commissioners, reporting the particulars of some vessels which went to sea from Calcutta during the month of March in a dangerously overloaded state, and urging the necessity of having a competent and final authority to pronounce whether or not a ship is overloaded or otherwise unseaworthy.

3. The Lieutenant-Governor fully concurs in this representation, and desires to recommend that the provisions of the 1st, 2nd, and 4th sections of the 38th and 39th Viet Chap. 88, should be extended to British India, with the following modifications, which have been suggested by the Bengal Chamber of Commerce.

- (a.) That the words "Commissioners for the improvement of the Port of Calcutta" be substituted for the words "Board of Trade" wherever the latter occur.
- (b.) That the appointment and remuneration of fit and proper persons having authority to detain unseaworthy ships shall be made by the Port Commissioners, who shall have power to revoke such appointment from time to time as they may think fit.
- (c.) That a vessel may be detained not only on complaint by one-fourth of the crew, but also upon the authority of the Port Commissioners, if, in their judgment, detention is justifiable, though no complaint or application may have been made. There should, however, be a penalty applicable to cases of

proved conspiracy or wrongful detention, in order that wilful or malicious detention may be punished.

4. The Bengal Chamber of Commerce apparently wish the whole Act, with the above modifications, to be applied in India to all vessels, including native-owned sea-going craft. The Lieutenant-Governor has considered how far it is necessary to introduce into India those sections of the Act which refer to the marking of deck-lines and load lines : and he is inclined to agree with the Shipping Master of Calcutta, and the Member in charge of the Miscellaneous Department of the Board of Revenue, that the object of the law will be sufficiently attained by enforcing only the 1st, 2nd, and 4th sections of the Act. Section 4 would require some verbal modifications by the omission of the words "British" and "United Kingdom."

5. The above remarks apply to vessels going to sea from the port of Calcutta. For the Orissa ports and Chittagong, the Conservator of the port should be the officer to be appointed under the Act. The Commissioner of Orissa remarks that many of the country sloops and dhonies plying along the coast are in a notoriously unseaworthy condition. In a case recently heard by the Collector of Cuttack, it came out in evidence that in one of these vessels the pumps had to be kept going for twelve hours out of the twenty-four, in order to keep her afloat. Another case lately occurred at False Point, in which a dhoness from Akyab bound to Negapatam put into False Point port leaking badly ; the crew preferred a complaint to the Harbour Master, who insisted

upon the dhonee discharging cargo and being properly caulked before proceeding on her voyage. In Balasore, only a few days ago, the Commissioner saw several dhonees in course of building and repair, and he states that their construction was weak and inefficient to the last degree. In one case, new sides were being put to an old bottom, the whole of which was rotten.

6. The Commissioner also reports that it is said not to be uncommon for Arab traders to buy a condemned vessel, put on a coat of paint, and then work her under native colours: and that an instance of this occurred not long ago, when an old Government schooner, the *Orissa*, was bought by a trader of Muscat, and taken away from False Point in a very rotten and unseaworthy state.

7. The Commissioner, though fully sensible of the magnitude of the evil, is of opinion that the provisions of the Merchant Shipping Act of 1875, are not applicable to native coasting vessels: and he would prefer that legislative power should be taken to make rules for the regulation of vessels of this class. He would divide these vessels into two classes—1st, those authorized to ply throughout the year, and 2nd, those authorized to ply during the fine season only.

8. It appears to the Lieutenant-Governor that this suggestion might be adopted, and that certificates of the 2nd class might be granted under less stringent conditions than ought to be required when a certificate of the first class is applied for. But it does not appear that this classification of vessels is incompatible with the acceptance of the general principle, that the provisions of

those sections of the Act, which are referred to above, shall be extended to all sea-going vessels in British India: and the Lieutenant-Governor would certainly recommend that the law should be made of general application.

9. With reference to the second paragraph of your letter, the Lieutenant-Governor desires to represent that a strict enforcement of the provisions of section 45 of the Merchant Shipping Act of 1854, appears sufficient to prevent fictitious transfers. It has, however, been suggested by the Master-Attendant that it would be desirable also to instruct the Registrars of Shipping at the different ports not to allow any vessels to be transferred from British to foreign colours, unless the application for transfer were accompanied by a certificate of seaworthiness from the surveyor.

10. An enquiry has been ordered to be made regarding the vessels belonging to Ahmed Khoonjee, referred to in the third paragraph of your letter under reply.

11. In conclusion, I am desired to remark that the Act of 1875 was only a temporary measure, and that another Bill on the subject is now before Parliament, and will probably become law during the present session. Sir Richard Temple would be strongly in favor of having a similar measure passed for Calcutta, where it is probably as much needed as in any other part of Her Majesty's dominions.

From Chamber of Commerce to Govt. of Bengal.

Calcutta, 24th July 1876.

I am directed by the Committee of the Chamber to

acknowledge the receipt of your letter No. 1910 of the 11th instant, and to state in reply that, though they are sensible of the fullest consideration being given by the Government of Bengal to their suggestions and recommendations, they feel compelled to express their concurrence in the remarks made by the Vice-President at the last half-yearly meeting of the Chamber.

The Committee will, in justification of their opinion, point to the fact, that, as far back as 31st December 1872, they showed the Government of Bengal how, by the simple extension of an already existing local Act, the evil complained of would be at once remedied to a large extent. The matter came before the Chamber on the representation of the Government itself and the letter of the Chamber was in reply. No action was taken.

Two or three very serious casualties occurred, so serious as to have attracted the attention of Government, and a second representation was made to the Chamber on the 16th September 1873. This inaction of 8½ months caused, by the Government's own showing, loss of valuable property and still more valuable life. This representation was replied to in full detail by the Committee on the 5th November following, the reply having been delayed till the action of the Port Commissioners was known. The Committee desire to say as little as possible as to the non-publication of this letter, and its having been brought to light after several months. This was no doubt an accident, but it was an accident that led to further loss of life, which might have been averted.

The Committee request me to carry the history still

further. In their letter of 17th December 1874 they again alluded to the subject; it was mentioned by the President in his speech in January 1875; the new Merchant Shipping Act (IV. of 1875) became law on 2nd February 1875, but no notice was taken of this important subject; and thus another opportunity of supplying a material defect in our Port rules was lost.

Again in November 1875 the question was discussed by the Committee, and another letter was addressed to the Government; and they were then told that the Government of India had under consideration the whole question of consolidating and amending the existing law relating to Merchant Seamen, of which the survey of ships naturally formed a part.

It is on this point that the opinions of the Chamber and the Government are at variance. The two measures do not naturally form part and parcel of each other, as was well pointed out by the Hon'ble Mr. Bullen-Smith at the general meeting of the Chamber held on 20th December 1875; and the Committee cannot do better than quote his words:—*“The Local Government have referred the request of the Chamber and the Port Trust to the Government of India, and nothing is likely to be done in the matter, pending an amendment in the general law relating to Merchant Seamen now, or about to be taken, in hand. In common with many I regret this delay and really cannot see that what we ask for is at all connected with Merchant Seamen. What we desire is that those exercising the calling of surveyors of shipping and goods in this port, shall be under some control, amenable to some authority, and duly licensed.”* He

then proceeds to illustrate his proposition by a gross case that had just occurred and had formed the subject of a correspondence in the public prints. Another member, the present President, in speaking on the subject at the same meeting, referred to the previous correspondence, and pointed out that while the representations of the Chamber on this important matter were allowed to slumber, the scandals which these representations were intended to correct were allowed to continue unchecked. Seven months have been allowed to pass away without the slightest move in the matter; though we have had, meanwhile, an instalment of that Merchant Seamen's Act for which we were told to wait.

From this history of the case you will see that it is more than three years and a half since action was first taken on the motion of the Government itself, that the importance of the case, at least as regards this port, has been more than once pressed on its attention by the Chamber as well as the Port authorities, who are just as much alive to the evil as is the Chamber, and we are still apparently as far as ever from even the semblance of a remedy.

Your present communication inspires the Committee with the hope that a remedy may be at length applied. They do not see the slightest connection between the Seamen's or Shipping Acts and the survey of ships supposed to be unseaworthy: even should Government think there is such connection, they do not see why a temporary enactment of the local legislature should not be at once passed, to correct what is acknowledged by all to be a crying evil in this port.

Having the assurance from you of all representations from the Chamber receiving prompt and careful consideration from the Government of Bengal, the Committee leave this further remonstrance against delay in the hands of His Honor with the more confidence as to this matter receiving attention on its own merits, separated from other considerations, with which it has, and can have, no possible connection.

THE MERCHANT SEAMEN'S ACT.

While the Government have delayed giving us an Act to regulate surveys of unseaworthy ships on the ground that it is necessary to wait for a comprehensive Merchant Seamen's Act, they have not considered it obligatory to wait for this in another case in which there was no urgency, and we have had a first instalment of this comprehensive Act passed at Simla. It relates principally to provisions for shipment of distressed seamen; but as the Act pressed so heavily on shipping interests the former Committee of the Chamber addressed the Government on the subject. The Act has since been passed with one of its most objectionable clauses unaltered. The present Committee, fully endorsing the views formerly expressed, have pointed out these objections a second time. No reply beyond a simple acknowledgment has been yet received.

*From Chamber of Commerce to Govt. of India,
Legislative Dept., Simla.*

Calcutta, 22nd July 1876.

I am directed by the Committee of the Chamber of Commerce to address you on the subject of the Merchant Seamen's Act which has been lately passed at Simla, and to again remonstrate against an Act which so entirely affects the mercantile community being passed elsewhere than in Calcutta.

The Committee have read with much attention the reasons which have been assigned by the Hon'ble Mr. Hobhouse for passing this Act at Simla, but they would nevertheless venture to submit that had the Bill been passed in Calcutta, they would (among other explanations) have been able to show to what they referred when saying that the provisions of Section 8 were tantam out to giving the refractory seaman a three months' holiday after his imprisonment.

It seems to the Committee that to a seaman who has to pay nothing for his passage and who is found in every way on the same scale as the crew who are working the ship, but who for the three months the voyage lasts is a gentleman at large, under no sort of restraint beyond that of a mere passenger, the three months' voyage is a holiday indeed, even should he during such passage have earned no wages, and they deprecate this species of relaxation for a man who for misconduct had incurred the penalty of the law. Had the new Act contained a proviso that such men should be compelled to work their pas-

sage home whenever practicable, as is the case with distressed seamen—(See Section 90: Instructions to officers in British Possession abroad regarding the relief of distressed seamen)—there would not have been, the Committee think, the same objection to it; but in its present form the Committee would beg to record their opinion that this section is likely to prove not only most unjust to the ship refusing to receive the refractory seaman, but also generally most mischievous.

The Bill having been already passed the Committee forbear remark on its several sections, but they would beg to point out that the Instructions above referred to clearly define the meaning of the term "distressed seamen"—Sections 86 to 88—and that the Board of Trade distinctly reserve to themselves the power to disallow expenses incurred on behalf of men who do not come within the definition. (Section 86.) It is assumed by the Committee that the Government of India would be liable for these expenses should they be disallowed, but even under these circumstances they would deprecate men who are not distressed seamen, even under the liberal definitions of the English Acts, being forced upon ships by the local authorities. In almost every case an idler on board ship is the leader of any discontent which may exist in the fore-castle, but with men such as the Committee fear the local Government are anxious to impose upon ships under the Act just passed, the danger of disturbance and of annoyance to the officers of the ship would be greatly enhanced.

That this fear on the part of the Committee is not baseless, I am directed to state that when the Draft Bill was

under their consideration instances were brought to notice of men, who, under the provisions of Section 88 of the Instructions, were not entitled to relief as distressed seamen, having been tendered to ships here by the local authorities for conveyance to England as distressed seamen. The Committee would beg to submit that where men have been discharged from ships and have accepted employment in this country, whether on the railway or as assistants in the different companies now employing European labor, that the mere fact of their having once been seamen should not entitle Government to force ships to convey them to England at the low rates of passage at which ship owners are compelled, and are fully willing, to convey men who are *bond fide* distressed seamen.

The Committee think that it should be incumbent upon the officer appointed by Government to grant the certificates provided for under this Act to prove, should he be called upon to do so, that the man is really a distressed seaman under the definitions of the English Acts, and that should he fail to do so the ship conveying the man should be entitled to ordinary passage money for every man so wrongfully conveyed.

JETTY CHARGES.

The question of reducing the rates hitherto charged for landing and shipping packages at the jetties has been submitted for the consideration of the Port Commissioners as the Committee believed that changes in this respect were feasible. In one instance the suggestion of the Chamber has

been promptly adopted, and the charge for landing specie has been reduced from 1 rupee to 4 annas per box.

It will be seen from the Commissioners' reply of 31st August that, in preparing their budget for the current financial year, the question raised by the Chamber will be duly attended to. The Committee, however, do not concur in the Commissioners' opinion that no reduction is practicable until the income derived from the jetties is sufficient to complete the works required for their efficient performance: they hold, on the contrary, that the revenue obtained from the jetties should be charged with only legitimate items, and capital account debited with any outlay involved in completing or extending jetty accommodation.

Chamber of Commerce to the Port Commissioners.

Calcutta, 16th August 1876.

The Committee of the Chamber of Commerce desire me to request you will take an early opportunity of submitting this communication for the consideration of the Port Commissioners.

Some months ago the Committee's attention was drawn to the expediency of obtaining a reduction in the rates charged for landing and shipping goods at the jetties, and they concurred in the opinion that some material concession would be justified by increasing receipts derived

from a progressive improvement of traffic : they thought it would be better however to wait till the Commissioners' Annual Report enabled them to judge whether any action should be taken in the matter.

The Committee are now in possession of the Commissioners' Administration Report for the past year, and they observe with satisfaction that the financial position of the Trust appears such as may well admit of the Commissioners granting a reduction of the rates now levied, and relief given to all articles contributing to that portion of the revenue, especially to the branch which yields fully one-third of it.

To consider how this may best be done it is proposed that the present schedule be revised by a Committee composed of members of the Trust, of the Chamber, and of the Trades Association, and it is hoped that the Commissioners will consent to that course being adopted.

Port Commissioners to Chamber of Commerce.

Calcutta, 31st August 1876.

I am directed to acknowledge receipt of your letter of the 16th instant, proposing reduction of rates charged for landing and shipping goods at the jetties. In reply I have to inform you that your letter was laid before the Commissioners at the meeting held on the 25th instant, and in terms of a resolution passed thereon I have to intimate that the Commissioners have hitherto deferred the consideration of the question of any reduction in rates charged for landing and shipping goods at the jetties until the income derived therefrom should

suffice for completing the works required for their efficient working. Now that these appliances are nearly completed, the Commissioners will instruct the sub-committee to be appointed in January next for preparation of the Budget for the year 1877-78 to take the question into consideration and to report whether any change in the rates is expedient and rendered feasible by the state of the revenues now derived from the jetties.

2. As the Port Commissioners are fortunate enough to retain among its members a representative of the Trades Association and several members of the Chamber of Commerce the interests of both bodies will be fully represented by the sub-committee that may be appointed by the Port Commissioners for the consideration of the subject.

Chamber of Commerce to Port Commissioners.

23rd October 1876.

The Committee of the Chamber of Commerce desire me to submit the following representation for the consideration of the Port Commissioners.

The steamers of the Peninsular and Oriental Company have been and still are the only vessels that bring treasure to this Port from Europe; and so long as their cargoes were discharged on their own premises at Garden Reach treasure was landed without expense to consignees; but as they now come up to the Commissioners' Jetties they are amenable to the regulations applicable to vessels occupying that accommodation and their cargoes subject to the schedules of charges leviable thereunder.

When the schedule of rates for landing goods was fixed 4 or 5 years ago scarcely any silver, beyond an occasional box or so, passed over the jetties, and the charge in such isolated instances was probably not considered excessive or open to objection: but circumstances are changed, and a levy of 1 rupee per box on large parcels of specie for simply lifting the treasure from a ship's hold to the jetty is now regarded as an exorbitant charge for the service so rendered, and with which service, according to their 15th bye-law, the Commissioners' risk and responsibility altogether cease.

The Committee are of opinion that consignees of specie have just grounds of objection to so high a charge, and that its reduction to 2 annas per box would not be a greater concession than is fairly demandable, leaving at the same time an ample return for the use of the Commissioners' appliances.

Under Section 65 of Act V of 1870 the Commissioners have the power, subject to approval of the Lieut.-Governor, to amend the schedule, and the Committee trust that that power will be exercised with all convenient speed to the extent they have indicated.

There are other instances of excessive charges which are heavy percentages on the values of some descriptions of merchandise, which will no doubt be taken into consideration by the Sub-committee of the Commissioners by whom the schedules are to be revised early next year.

Port Commissioners to Chamber of Commerce.

Calcutta, 30th October 1876.

Your letter of the 11th instant requesting reduction of landing charge on silver was submitted for the consideration of the Commissioners at their last meeting, and they have resolved to apply to Government to alter the charge on gold and silver from one rupee to 4 annas per box.

HOOGHLY BRIDGE TOLLS ON COAL.

The Committee have again addressed the Government of Bengal, urging the exemption of coal from the terminal charge levied by the East Indian Railway Company under the Hooghly Bridge Act. It will be seen from the facts and figures taken from the Administration Report of the Bridge Commissioners that during the year ended 31st March 1876 they realised a net revenue of 2 lacs of rupees, which enabled them to discharge not only all the liabilities imposed by the Act but to hold a considerable surplus—equal as nearly as possible to the tolls levied on coal alone.

That the Bridge is self-supporting without the levy of this most unjustifiable toll is abundantly proved, and the Committee trust that his Honor the Lieutenant-Governor will sanction the early removal of a burden which presses with exceptional

severity upon an article which needs all the aid that can be given for its protection and development instead of being weighted with a charge of unnecessary imposition.

If official ingenuity suggests or designs any other oppressive item to be borne by the bridge account, and if there is a determination to create other permanent charges so that there can be no hope of relief to the coal trade, the Committee of the Chamber can only record their protest against an aggravation of the injury already inflicted and which all who are interested in the matter have vainly endeavoured to get removed.

From Chamber of Commerce to Govt. of Bengal.

Calcutta, 10th August 1876.

The Committee of the Chamber of Commerce desire me to state for the information of the Hon'ble the Lieut.-Governor that they have recently received a representation from parties interested in the coal trade, in which they urge that His Honor may be moved to re-consider the question of the terminal charge levied by the East Indian Railway Company under Section 4 of the Howrah Bridge Act 9 of 1871.

The levy of that terminal charge was the subject of two separate communications to the Lieut.-Governor from the Proprietors and Managing Agents of various Collieries and from the Agents of Steam Tug Companies,

but for the reasons given in your replies of the 11th and 21st January 1875 Sir Richard Temple regretted his inability to comply with their applications for exemption from the tax.

Those representations were subsequently supported by the Chamber of Commerce and all the principal interests concerned in an industry upon which the tax fell with exceptional severity; and a deputation from those bodies waited upon the Viceroy and Governor-General, with whom the matter was fully discussed; but His Excellency was unable to give any more definite reply than that the Government was cognizant of the undue incidence of the tolls levied, and that the question would be carefully considered when more experience of the working of the bridge had been gained.

Fifteen months have since elapsed, and the Act has had the full and fair trial which His Honor deemed necessary before any proposal to amend its provisions could be entertained; and it appears to the Committee of the Chamber that the time has arrived when they may appeal to the Lieut.-Governor for a review of the circumstances under which the impost was legalised, and of the pressing solicitations already made for exempting from its application an article of local industry which of all the items which constitute railway traffic not only presents the least reason for subjection to the tax, but shows greatest cause for entire freedom from the burden thrown upon it.

The Committee will not trespass upon the Lieut.-Governor's time by recapitulating the arguments advanced

on the occasions referred to as His Honor is well acquainted with them; but for convenience of reference they forward a copy of the Address to the late Viceroy which embraces all the correspondence on the subject.

As already noticed, the working of the Act has had a fair and full trial, and results are shown which amply justify the application now submitted for the Lieutenant-Governor's consideration.

In their Administration Report for the past year the

1,72,458	4	0	Bridge Commissioners published
3,71,623	7	6	a statement of their disburse-
1,99,170	3	6	ments and receipts, shewing a
73,333			net revenue of nearly 2 lakhs,
41,800			out of which they have repaid

the first instalment of the capital advanced by Government for construction as well as the amount of another loan for an exceptional purpose.

So that the receipts have covered not only all ordinary expenditure, paid off a stipulated part of original cost, the annual interest on the entire debt, and a large sum by way of temporary advance, but they exhibit, in addition, an absolute surplus of Rs. 84,000.

The Commissioners' Report contains details of the local traffic over the bridge which serve to show how largely that means of communication between Calcutta and Howrah has been resorted to by the public, but the receipts from railway traffic are given in the aggregate only.

The Committee have ascertained, however, that the

quantity of coal brought down to Howrah has averaged 40 lakhs of maunds during each half-year since the bridge was opened on 1st January 1875; and that article has consequently contributed, at the terminal charge of 1 rupee per 100 maunds, about 80,000 rupees to the receipts during the year covered by the Commissioners' Report.

The proof therefore is conclusive and established beyond question that the revenue derived from the ordinary local and railway traffic—exclusive of coal—is amply sufficient to cover ordinary expenditure and the liabilities imposed by Government.

The bridge may therefore be emphatically pronounced self-supporting, and that too without the aid of a tax on an article of commerce compulsorily made to contribute a share of revenue which is absolutely not required, and which ought, on that ground alone, to be remitted as an unnecessary burden on the coal trade of Bengal and all the various industries dependent on its development.

It is in the power of the Lieutenant-Governor under the Act to grant the relief now asked for on behalf of the interests concerned, and the Committee of the Chamber of Commerce trust His Honor will avail himself of the authority which the Law has placed at his discretion and exercise it to the fullest extent.

His Excellency the Viceroy assured the deputation who waited on him that relief would be given as soon as it was seen whether the other traffic which properly contributes to the maintenance of the bridge was sufficient

for the purpose, which included not only the ordinary expenditure but interest, sinking fund, &c. The last report of the Commissioners proves that this traffic is so sufficient, and the Committee of the Chamber with the more confidence claim the fulfilment of the pledge then given.

No. 142T.

From Govt. of Bengal to Chamber of Commerce.

Darjeeling, 19th August 1876.

With reference to your No. — dated 10th instant, I am directed to state that the question of exempting coal from the terminal charge, which the East Indian Railway Company levy under Section 4 of Act IX of 1871 had already attracted the Lieutenant-Governor's attention and His Honor had instituted the enquiries necessary to enable him to come to a decision on this matter.

2nd.—I am further to state, that as soon as His Honor passes orders on this question, the result will be communicated to you for the information of the Chamber of Commerce.

*From Chamber of Commerce to Govt. of Bengal,
Darjeeling.*

Calcutta, 24th October 1876.

The Committee of the Chamber of Commerce were

glad to receive the assurance conveyed in your letter No. 142 of 19th August that His Honor the Lieutenant-Governor had instituted inquiries necessary to enable him to come to a decision in the matter of the East Indian Railway terminal charge on coal on account of the Hooghly Bridge.

In the Chamber's letter of 10th August it was submitted that the Bridge revenue derived from traffic other than coal was more than sufficient to meet every item of expenditure with which the Bridge account was loaded; and in reverting to that subject the Committee desire me to draw your attention to the recently published statement of the earnings of the East Indian Railway, from which it would appear that the traffic on its main line from 1st July to 14th October of the current year exceeded by £130,000 the receipts for the corresponding period of 1875, and that for the week ending 14th instant the earnings nearly doubled the receipts for the corresponding week of October last.

It may be fairly presumed that a large proportion of this increased traffic has reached the Howrah terminus, and consequently that the terminal charges levied on account of the Bridge have also been proportionally increased.

If this be so, the result materially strengthens the Committee's application for the exemption of coal from the unnecessary burden it is still made to carry.

Railway between Calcutta and Nagpore.

The advantage of having a direct line of Railway between Calcutta and Bombay in saving of time in receipt of English mails, and in opening up the resources of the most fertile part of India, was so obvious that the Committee considered it incumbent on them to address the Government on the subject, and in connection therewith to urge its construction on the same gauge as the other main lines. The annexed correspondence shows that it is already in contemplation to complete the line from Nagpore to Chuttisgarh, and its further continuation to Calcutta is so clear a necessity that it must soon follow. The completion of so important a work will continue to occupy the attention of the Committee.

*From Chamber of Commerce to Govt. of India,
Public Works Department, Simla.*

28th June 1876.

The Committee of the Chamber of Commerce direct me to request the favor of your informing them whether Government has had under consideration the question of constructing a line of railway from Calcutta to Nagpore via Midnapore, Sambulpore, Raipore, &c.; whether that part of the country has been specially surveyed with the view of establishing railway communication; and whether it has been ascertained that the agricultural

and other industries of the population of that district, and their probable requirements of the produce and manufactures available at Calcutta and other large markets for British merchandise, would yield a traffic of sufficient magnitude and value to justify the outlay of imperial funds on such construction.

The Committee have been informed that a line from Calcutta to Nagpore by the above route would shorten the distance to Bombay by about 300 miles; that it would supply a much required means of access to the Province of Orissa and open up fertile agricultural and rich mineral districts; and that the extension thereto of railway facilities would be followed with great benefit to the inhabitants of a large tract of country who have not had the opportunity of feeling and appreciating the influences of direct speedy communication with other parts of India.

If the natural resources and capabilities of that extensive tract of country are such as may be developed by improved internal communication, and if the cultivation and transport of produce and transit of the travelling portion of the people were encouraged and facilitated by means superior to those that are at present available, there would be good ground for extending the railway system in that direction and giving the country advantages which it does not now possess.

No. 2755 R.

*From Govt. of India, P. W. Dept., Railway,
to Chamber of Commerce.*

Simla, 12th October 1876.

I am directed to acknowledge the receipt of your letter dated the 28th June 1876, requesting to be informed if the question of constructing a line of railway from Calcutta to Nagpore *via* Midnapore, Sambulpore, Raipore, &c., has been under the consideration of Government.

2. In reply I am to state for the information of the Bengal Chamber of Commerce, that it is in contemplation, under provisional sanction from the Secretary of State, to proceed with the construction of a line of Railway from Nagpore to Chuttigurh, that it will no doubt become hereafter desirable to extend this line either through Raipore and Sambulpore on to Calcutta or through Raipore and Belaspore to join the East Indian Railway at or near Raneegeunge, and that when means are available the requisite explorations and surveys will be undertaken.

*From Chamber of Commerce to Govt. of India,
Public Works Department, Railway Branch.*

The Committee of the Chamber of Commerce desire me to acknowledge the receipt of your letter No. 2755 of the 12th ultimo, in reply to their reference of 28th June last, and to state that the information you have been good enough to convey greatly encourages them to hope that a direct railway communication between Calcutta and Nagpore will be established at no distant date.

The Committee avail themselves of the opportunity which this acknowledgment of your letter presents by venturing to introduce the consideration of a question which will probably largely influence the Government in its decision regarding the construction of the proposed line.

They are aware that the subject of "gauge of way" has been frequently and very fully discussed in connection with some of the railways undertaken by the State, and they believe that financial and economic reasons prevailed in determining the adoption of a narrow—or 3½ feet—gauge in preference to the standard width of 5½ feet, on which all the main trunk lines have been constructed.

That determination of course involved a departure from a system which has invariably recognised a continuity of gauge as of paramount and imperative necessity and rejected any alternative plan on the ground of serious results arising from break of gauge, the evils and inconveniences of which could not be compensated by economy in constructing lighter or narrower lines and in their working and maintenance.

Those evils and inconveniences are well understood and estimated at home, and the experience of eminent railway engineers there is adverse to any avoidable interruption to a continuous transport of traffic; and the Committee of the Chamber apprehend that the Government of India are not insensible to the disadvantages which would follow by adopting in this country a policy opposed to that which is generally adopted in England.

A narrow or metre gauge may be suitable to subsidiary

lines or to traffic in distant and isolated districts the conveyance of which by railways of lightest and cheapest construction would obviously be an immense improvement upon primitive means of transport in such localities, and the absence of uniformity of gauge would be immaterial.

The proposed line to Nagpore, running through some of the richest provinces and connecting them in a direct line with the two large ports of Calcutta and Bombay, will become one of the most important in India, and the maintenance of the standard gauge appears to the Committee not only advisable but a matter of necessity, as indeed its junction with the Great Indian Peninsular Railway at Nagpore and with the East Indian Railway at Raneegunge, or any other point, so as to admit of traffic passing on direct to Bombay or Calcutta, would apparently necessitate the adoption of a gauge uniform with the broad gauge of those two main lines.

A lighter description of locomotives, carriages, and wagons might be introduced with considerable economy, no doubt; but a line of the most durable construction would eventually be the least costly; and while that material object would be gained it would be accompanied by the permanent advantage of a gauge corresponding with the trunk lines to the Presidencies, and unhampered by the evils attendant on break of gauge.

Telegraph Rules and Telegraph Service.

This subject was referred to in last Report and the Committee's continued action is recorded in their concluding letters to Government hereto appended: and it will be observed that they have entirely endorsed the opinions of the Madras Chamber with regard to Rule 35 of the St. Petersburg Convention, which makes senders and receivers of messages mutilated in course of transmission liable to the charges for repetition. The combined agitation of this matter by the Presidency Chambers has resulted in a reference to the Secretary of State and the British Postal Telegraph Department.

Upon the point also of the compulsory additional charge of 50 per cent. on figure cipher messages from India to Europe—while similar messages to India were charged at ordinary rates—the Committee have the satisfaction to report that the Government of India have expressed their desire to make this rule less illiberal, and authorised a representation to be submitted for the consideration of the other States interested. Up to this time, however, none of the restrictions have been removed, and it is a matter of surprise that the provisions of the St. Petersburg Convention which have been set aside or ignored in England should still be applied to the Indian community.

*From Chamber of Commerce to Govt. of India,
Public Works Department, Simla.*

Calcutta, 13th June 1876.

The Committee of the Chamber of Commerce have been anxiously waiting for a reply to their representation of 13th March last relative to the rates levied by the Telegraph Department on code messages transmitted from Calcutta to London; and they instruct me to bring the subject again under notice in the hope that the reference then submitted for the consideration of Government may result in a decision establishing the accuracy of the opinions they expressed, and authorizing the reversal of a practice at variance with that which obtains at Home.

The Committee have already commented on the anomaly which exists of code messages from India to the United Kingdom being charged 50 per cent. more than messages of precisely the same character from the United Kingdom to India; and they trust His Excellency the Governor General in Council will be pleased to extend to the mercantile community of this country immunity from a charge from which the mercantile community at Home are exempt.

*From Govt. of India, Public Works Department,
to Chamber of Commerce.*

Simla, 12th June 1876.

In acknowledging the receipt of your letters dated respectively the 7th and 13th March last regarding the

charge imposed under the last International Telegraph Convention for repetition of foreign telegraphic messages, I am directed to forward for the information of your Chamber copy of a communication No. 39 T dated 4th April 1876, addressed by the Officiating Director General of Telegraphs to the Madras and Bombay Chambers of Commerce on the subject, and to state that the Government of India entirely concur with what has been said by the Officiating Director General.

No. 39T.

*From Director General of Telegraphs in India,
to Chamber of Commerce, Madras.*

4th April 1876.

I have the honor to acknowledge receipt of your letter of the 17th February in which you request that the Convention ruling embodied in No. 35 of the rules for foreign messages may be reconsidered in view to recipients of doubtfully worded uncollated telegrams being enabled to procure a repetition without incurring any cost, should it be proved that the telegraph had been in fault. At present, as you point out, such privilege is confined to messages on which the charge for collation has been paid by the sender.

2. To obtain an alteration of the Convention prior to its revision by an International Conference, it is requisite that the change should be assented to by all the administrations concerned. Such unanimous consent on this point is most unlikely as the new rule was expressly designed

to remove the anomaly which, under the former procedure, afforded to senders and receivers of telegrams all the advantages of collation without payment of collation price and thereby imposed a very considerable amount of unremunerative work on the telegraph lines.

3. With reference to your contention that the new rule is not just to senders and receivers of telegrams the following explanation will, I think, show you that while the former rule was unfair to the Telegraph Administrations the revised procedure does no more than remove the one-sided incidence of that which it superseded.

4. The ordinary telegraph tariff is based on the supposition that messages are in clear language offering an intelligible sense. The context of such messages renders repetition unnecessary.

5. Gradually nearly all commercial messages have come to be expressed in code language, comprising difficult words, offering no intelligible sense or context.

6. Telegraph Administrations naturally object to allow code messages (if paying ordinary rate) to occupy the wire longer than telegrams of similar length offering an intelligible sense. The chances of accurate transmission, other things being equal, are thus greatly in favor of the latter. Code messages, to ensure accuracy, *ought therefore to be collated.*

7. If, however, the sender of a code telegram elects not to prepay it at collation rate he thereby, under the condition of the St. Petersburg Convention, voluntarily

accepts all risks of errors, waives all claim to the special care and precautions which the nature of his telegram demands, and debars the receiver from obtaining, otherwise than at his own cost, any rectifications necessitated by errors in transmission.

8. It appears necessary to point out that the punishment of signallers for errors in transmission of messages is based not on the value of the message or on the fact that a repetition had been claimed by the receiver, but on the nature of the error and on the salary of the signaller. The change in procedure which forms the subject of your letter under reply has therefore no bearing on this point, and there are consequently no grounds for the apprehension you express as to the effect of that change on the accuracy of telegrams.

9. I may add in conclusion that the rule which forms the subject of this letter is under discussion between the Government of India, the Secretary of State and the British Postal Telegraph Department, and that the result will be made known in due course.

*From Govt. of India, Public Works Dept., to
Chamber of Commerce.*

Simla, 23rd June 1876.

In reply to your letter of the 13th current, soliciting a reply to your former communication dated the 13th March last, on the subject of the charge imposed under the last International Telegraph Convention for repetition of foreign telegraphic messages, I am directed to refer

you to this office letter No. 209T, dated the 12th instant, which probably crossed your later letter *en route* and which replied to your first communication.

*From Chamber of Commerce to Govt. of India,
Public Works Dept., Simla.*

Calcutta, 30th June 1876.

I have the honor to acknowledge the receipt of your letters of the 12th and 23rd instant.

The former communication forwards copy of your reply to the Madras Chamber of Commerce relative to the operation of No. 35 of the new telegraph rules and the latter informs this Chamber that the above is a reply to their original representation of 13th March.

But I am directed to point out that the two subjects submitted by the two Chambers are not identical; and that while your reply to the question raised by the Madras Chamber conveys an elaborate defence of the new rule and its application by the Officiating Director General of Telegraphs, the point raised by *this* Chamber remains unnoticed.

The rule referred to in my letter of 13th March provides for the compulsory repetition of private cipher messages composed of figures transmitted from India to Europe at a charge of 50 per cent in addition to the rate for the message itself: against this rule the Chamber complained, and based its complaint upon the fact that similarly constructed messages transmitted to India were exempt from such compulsory excess charge, and that the

practice introduced in this country does not obtain at Home.

This is the submission already placed before the Government, and a reply is respectfully requested.

*From Govt. of India, Public Works Department,
to Chamber of Commerce.*

Simla, 4th August 1876.

In reply to your letter under date 30th June, I am directed to inform you that the compulsory additional charge of 50 per cent on figure cipher messages is strictly in accordance with Regulation XIVIII, Clause 4 of the St. Petersburg Convention, and cannot be changed without the consent of the other administrations concerned.

2. The Government of India is however desirous of making this rule somewhat more liberal, and the Director General of Telegraphs has been authorized to submit a modification in this direction to the central Bureau at Berne for the consideration of the other States interested.

3. With reference to that portion of your letter which states that this rule is not enforced in England, I am directed to say that the relaxation in question has been carried out by private Telegraph Companies in a spirit of competition, and with a view to attract customers, (though possibly for the present at a loss to the shareholders); that such a proceeding is one which the manager of a private Company dealing with private

money, subscribed for a special purpose, may perhaps adopt with some sort of justification, though in defiance of rule; but that his example cannot be followed by a public agent, dealing with public funds, for the benefit of a class interest, at a further cost and sacrifice to the general community who have already to bear the loss on an unremunerative undertaking.

From Chamber of Commerce to the Government of India, Public Work Department, Simla.

Calcutta, 22nd July 1876.

The Committee of the Chamber of Commerce direct me to address you on the subject of your reply to the reference made by the Madras Chamber of Commerce in their letter of 17th February last regarding the provision of No. 35 of the rules applicable to foreign messages, which was held to be unjust to the senders and receivers of uncolated messages, inasmuch as they are compelled to pay the charge for repeating messages, the sense of which has been mutilated in course of transmission by the Telegraph Department.

The Director General of Telegraphs controverts that submission, and the Government of India concurs in what he has said on the subject; at the same time it is declared that the rule in question is under discussion between the Government of India, the Secretary of State, and the British Postal Telegraph Department.

The Committee have given their fullest consideration to the communication of the Director General, and, with deference to that officer's views on the point under refer-

ence and respect for the concurrence therein by the Government of India, desire to place the matter once more before His Excellency the Governor General in Council for a review of the representation already made.

The Director General prefaces his general argument by remarking, in the 2nd paragraph of his letter, that any alteration of the Convention, under which the amended rule was adopted, requires the assent of all the Administrations concerned, and that such unanimous consent is most unlikely as the new rule was expressly designed to introduce an important change in the telegraph service in India.

The Committee cannot agree with the Director General about the difficulty of getting the consent of all the Administrations concerned, as it is worthy of remark that all the most notable restrictions and additional charges introduced under the Convention are only applicable to extra-European places, showing that the delegates of European States refused to accept the illiberal conditions which were proposed by the British delegates, who, it is stated, would have prohibited the use of code symbols altogether.

It would therefore appear to be an easy matter to obtain the assent of the several Administrations, even if such assent is necessary, to changes which in no way affect their own interests. Indeed the 17th Article of the Convention gives the local Government power to make such alteration.

The admission by the Director General amply justifies

the complaint submitted by the Committee in their letter of 9th December last that the commercial public had no intimation of the more important changes contemplated at the St. Petersburg Convention; and that they were therefore unable to communicate their views thereon to Government for submission to the International Conference; for if the proposed introduction of the change, which the Convention was persuaded to adopt, had been previously made known, this Chamber would have strenuously opposed it, because it would obviously deprive the public of an equitable provision which they possessed under the old Convention, and sufficient cause would have been shewn why the existing rule should not be disturbed.

The Committee are unable to concur in the Director General's assertion that the old rule was unfair to the telegraph administration, and that the revised procedure only removes the one-sided incidence of that which it superseded, for in their opinion the old rule made it compulsory on the telegraph department to do its own work at its own cost; and under the new rule the one-sided incidence is all the other way, for it burdens the sender and receiver of a mutilated message with a charge incurred by default of the department itself.

The Committee take exception to the Director General's statement that gradually nearly all commercial messages have come to be expressed in code language comprising difficult words, offering no intelligible sense or context, that they occupy the wire longer than telegrams offering an intelligible sense, and ought therefore to be collated; 1st—because the fact cannot be overlooked that while the

St. Petersburg Convention authorised 15 characters as the maximum length of a word over European lines, extra-European traffic is limited to words not exceeding 10 characters; and the adoption of this limitation has excluded from use a great number of English words and confined code messages to words of ordinary employment and simplicity: and, 2nd—because the Director General's opinion that code messages "ought to be collated" is at variance with the distinct declaration of the Convention Rule 48, the 4th para. of which runs as follows:—"Paid repetition is compulsory for private telegrams containing secret language composed of figures or letters. This regulation is not applicable to Government telegrams, or to language of preconcerted meaning composed of plain words."

With reference to the alleged difficulty of sending messages with no intelligible sense or context, the Committee think that, with the perfection of instruments now used, the less the signallers attempt to understand the messages the more will their attention be fixed on the correct transmission of the words, and that fewer mistakes will consequently ensue.

It is noteworthy that since the new Rule came into operation the errors in telegrams, especially those in ordinary language, have increased enormously, and messages now are rarely received without important errors.

The Committee therefore arrive at the conclusion that the representation by the Madras Chamber remains unanswered, and that the unfairness of the new regulation remains unaffected by the Director General's endeavour to explain it away.

Having thus endorsed the views expressed by the Madras Chamber, the Committee desire to supplement their communication by a brief reference to the manner in which the telegraph service is, in some respects, conducted.

The departmental regulations applicable to private *foreign* messages are assumed by the Committee to be generally in accordance with the St. Petersburg Convention Rules, but they are unable to trace any authority for declaring the Convention rules applicable to messages transmitted to places *within Indian limits*.

With the single exception contained in the 3rd paragraph of Rule 7 *viz.*, that extra European administrations are authorized to refuse to admit upon their lines private telegrams containing secret letters, the Convention takes cognizance only of messages transmitted over the international telegraphs, and pretends to no control over the internal administration of extra-European States or over messages which are not sent beyond their territorial limits.

Article 17 confirms this:—consequently the allusion to the Convention, contained in the memorandum usually attached to purely inland messages returned to senders for correction or explanation, appears to be a reference to an authority which distinctly disclaims interference with any separate arrangements which each of the contracting States may find it convenient to make within its own administration: and the Committee submit that not only is such use of the term “Convention Rule” inappropriate, but the departmental requisition is of a most inquisitorial

character, involving disclosures which cannot in any sense promote the telegraph service, and vexatious disputes on trivial questions of orthography and abbreviation, invariably leading to delay in receiving and transmitting telegrams of most urgent importance to merchants.

In conclusion the Committee desire again to urge on His Excellency in Council that whereas in England messages composed of groups of figures having a secret meaning are freely accepted at the ordinary charge, in India they are rejected except at the additional repetition charge; and this fact, which cannot be unknown to the Telegraph Department, at once shows that the rules of the St. Petersburg Convention are not held in England to possess that binding force which the Government has alleged them to have as a reason for refusing to consider recommendations for amendment of rules which are in practice found to be harsh in their application.

*From Govt. of India, Public Works Dept. to
Chamber of Commerce.*

Simla, 3rd October 1876.

I am desired to acknowledge the receipt of your Secretary's letter under date 22nd July last, on the subject of the additional charge levied for the repetition of messages, and to state in reply that whilst the Chamber's representation had received the most attentive consideration, it was apparent a knowledge of all the circumstances that surrounded the matter were not in possession of the Chamber. But it has for the present become unnecessary to enter further into a consideration of them as Her

Majesty's Postal (Telegraph) Department has submitted for the consideration of the other parties to the Convention a proposal to modify the Rules relating to the "free repetition" of International messages, which, if accepted, will probably remove the objections raised by the Chamber.

2. The subject of the 11th para. of your Secretary's letter under reply, *viz.*, the alleged increase in the errors in telegrams, is being investigated.

3. The concluding para. of your Secretary's letter relating to the increased charge on "figure cipher" messages has already been replied to, *vide* Public Works Department No. 256T, of 4th August last from the 2nd para. of which the Chamber will have learnt that the Government of India has proposed a modification of the existing rules.

*From Chamber of Commerce to Govt. of India,
Public Works Dept. Simla.*

Calcutta, 11th October 1876.

The Committee of the Chamber of Commerce desire me to thank you for your letter No. 307 of the 3rd instant in reply to their reference of 22nd July; and to say they receive with satisfaction the announcement that there is a prospect of an amendment of the telegraph regulations to which they have taken exception in their representations to Government.

The Committee will be glad if the result of the submission of these matters to the International Convention is communicated to the Chamber at the earliest opportunity:

and they trust that the investigation regarding increased errors in telegraphic correspondence may have the desirable effect of improving that department of the public service.

**New Treaty of Commerce and Navigation between
France and Great Britain.**

The following copies of despatches between Her Majesty's Foreign Office and the Secretary of State for India have reference to a subject of considerable interest to the commerce of this country.

The correspondence discloses the expectation that the existing treaties and conventions between France and the United Kingdom in matters of commerce and navigation will be superseded by a new treaty; and, in order that the interests of this country may be fully considered in the approaching negotiations, the Government of India have been requested to place the Secretary of State in possession of their views for representation to the French Government.

Responding to an invitation for the expression of their opinions and submission of any suggestions they might desire to offer, the Committee communicated with the Government of Bengal on the subject in letters which close this paragraph of their Report.

They pointed out that, under existing arrangements, the trade in Indian produce and manufactures exported to France was weighted with almost prohibitory duties, which necessarily resulted in commercial operations with that country being confined within comparatively narrow limits, but which were capable of great expansion by the adoption of a liberal policy and the removal of stringent and restrictive customs tariffs and regulations.

No. 1474.

From Govt. of Bengal to Chamber of Commerce.

Calcutta, 5th June 1876.

Revenue Department,
(Land Revenue)

I am directed to forward herewith copy of a letter, No. 216, dated the 24th May 1876, from the Government of India in the Department of Revenue, Agriculture and Commerce, and of its enclosure, and to request that the Lieut.-Governor may be favoured with any suggestions which the Chamber desire to offer on the questions discussed in the correspondence, regarding the anticipated negotiations with the French Government for a new Commercial Treaty.

No. 216.

From Government of India to Govt. of Bengal.

Simla, 24th May 1876.

Commerce and
Trade.

I am directed to forward the accompanying copy of a

Despatch (No. 29, dated the 12th April last), from the Secretary of State for India, giving cover to copy of a communication from the Foreign Office, regarding the representations it will be desirable to make in the interests of India to the French Government in the approaching negotiations for a new Treaty of Commerce and Navigation between the United Kingdom and France, and with reference thereto to request that, after consultation with the Chamber of Commerce at Calcutta, and such local firms doing business with France as it may be considered desirable to consult, the Government of India may be favoured with an expression of the views of His Honor the Lieut.-Governor on the subject.

2. I am to request that a very early reply may be submitted.

No. 29.

*To His Excellency the Right Hon'ble the Governor
General in Council.*

"INDIA OFFICE."

London, 12th April 1876.

Statistics and
Commerce.

MY LORD,—I transmit, for the information of your Excellency, a copy of a correspondence with the Foreign Office on the subject of the representations which it is desirable to make, in the interests of India, to the French Government, in the approaching negotiations for

From Foreign Office, 9th
March 1876, (with enclosure.)
From Foreign Office, 11th
April 1876.

a new Commercial Treaty between the United Kingdom and France.

2. You will observe that I have expressed a general opinion that it is desirable to obtain the utmost facilities which can be granted for the admission, into French ports, of Indian produce and manufactures, free of duty. An important increase may be expected to occur in the direct trade with France as one of the results of the opening of the Suez Canal, and it will be for your consideration to what extent the interests of India and the interests of your revenue might be consulted by alterations in this direction.

3. I shall be glad to be favoured, as early as possible, with the views of your Government on the question generally, and in regard to any special details connected with either trade or navigation which you would wish to have represented to the French Government.

I have, &c.

(Signed) SALISBURY.

To the Under Secretary of State for India.

"FOREIGN OFFICE."

London, 9th April 1876.

SIR,—I am directed by the Earl of Derby to state to you, for the information of the Marquis of Salisbury, that it is expected that communications will very shortly take place with the French Government with the view to the conclu-

sion of a new Treaty of Commerce and Navigation between this country and France.

The existing Treaties and conventions of 1860, 1873 and 1874, of which copies are herewith enclosed, will remain in force until the 30th of June 1877; but the two Governments are of opinion, in the present state of commercial relations between European Powers, that it is advisable that they should enter into communication in order to come to an understanding as to the future treaty engagements between the two countries in matters of Commerce and Navigation.

It will be perceived that the arrangements made in 1860 are limited to the United Kingdom and to France and Algeria and do not extend to the possessions of the other power except in regard to Australian wool, and to Indian cotton and jute. And further that the treaty of 1873 places British and French vessels on a footing of equality in all navigation.

I am to request that you will move the Marquis of Salisbury to give this matter his early attention, and to inform Lord Derby as soon as possible what representations he would wish to be made to the French Government in matters affecting Indian interests in the approaching negotiations with France.

I am at the same time to point out that, when stipulations are made with foreign countries in favour of British possessions, those possessions may have to be bound by the engagements entered into by Her Majesty's Government in matters relating to the United Kingdom.

I am, &c.,

(Signed) T. V. LISTER.

To the Under Secretary of State for Foreign Affairs.

"INDIA OFFICE."

London, 11th April 1876.

SIR,—In reply to your letter of the 9th ultimo, I am directed by the Secretary of State for India in Council to say that, in his opinion, it is very desirable that in the anticipated negotiations with the French Government for a new commercial treaty, an endeavour should be made for the admission of the raw produce and manufactures of India into French ports free from duty, to the utmost possible extent.

The question is, however, one on which it is necessary to consult the Government of India, to whom your letter will at once be forwarded.

I am, &c.,

(Signed) LOUIS MALLET.

From Chamber of Commerce to Govt. of Bengal.

Calcutta, 13th July 1876.

The Committee of the Chamber of Commerce direct me to acknowledge the receipt of your letter No. 1474 of the 5th ultimo, and to submit the following representation on the subject.

It is satisfactory to learn that, in his reply to Her Majesty's Foreign Department, the Secretary of State for India has expressed the opinion that it is very desir-

able that in the anticipated negotiations with the French Government for a new Treaty of Commerce and Navigation an endeavour should be made for the admission, to the utmost possible extent, of the raw produce and manufactures of this country into French Ports free from duty; for if that admission can be secured the commercial intercourse between France and British India will receive an impetus which may lead to an active and valuable extension of a trade in commodities at present weighted with almost prohibitory duties, and create results advantageous to both countries.

On coffee, rice, sugar and oils, &c., the duties are excessively heavy, and the lightest duty leviable on manufactures of jute fully equals the value of the dearest fabric made in Calcutta.

It is obvious therefore that the trade in these and other articles can be conducted at only a very high cost, which naturally limits their exportation and consumption, and cannot be continued except at a range of values materially exceeding those that are realised under less stringent and restrictive customs regulations.

But these regulations applicable to goods imported direct from India are rendered the more prohibitory by the circumstance—if the Committee are rightly informed on the point—that if goods are transhipped from any European Port an additional *Surtax d'entrepôt* is levied, which of course tells greatly against the trade with France. Few ships are taken up here for Havre and Dunkirk and the trade via London or Mediterranean Ports is consequently hampered by this extra charge.

Upholding the principle that a liberal commercial policy is more conducive to the mutual interests of countries dealing with each other than a system which places restraints on the interchange of the fruits of their respective industries, the Committee trust Her Majesty's Government will succeed in obtaining for British India every practicable relaxation of the duties which narrow the limits of its trade with France, if indeed their negotiations do not result in securing the concession of exempting from duty every article of Indian production and manufacture that may be admitted into any port of France and of her colonial possessions.

It is hardly necessary for the Committee to press upon the consideration of Government the interests of the pure manufacturing industry of Calcutta : they believe that an entire freedom from duty would largely develop this important branch of trade and enable it to share with the Mills of Dundee the advantages of any demand for pure manufactures that may arise in the markets of France, specially in her southern ports and Province of Algiers, which would naturally draw their supplies from this city.

Calcutta, 14th August 1876.

In addition to the remarks submitted in my letter of 13th ultimo regarding the new Commercial Treaty between England and France the Committee of the Chamber of Commerce direct me to state that recent advices impress them with the belief that the French Government purpose levying a duty of 60 centimes per cwt., on oil seeds, and that the adoption of such a measure will undoubtedly curtail the export of those articles to France.

The policy is obviously a protective one, and opposed to the principles on which Her Majesty's Government would desire to see the trade between India and France conducted.

Supply of Water to the Shipping.

For some years past the shipping of the Port obtained supplies of pure drinking water through the Commissioner of Police on behalf of the Municipality, and vessels conveniently situated had filtered water delivered into tanks on board at a charge of 8 rupees per 1,000 gallons ; but vessels not so situated were supplied by native contractors. That agency would probably have been equally suitable and serviceable had it been conducted with common honesty : but while the contractors paid the Justices for pure filtered water at 4 rupees per 1,000 gallons they charged the shipping at double that rate for an adulterated mixture of partly filtered and partly foul water with which they filled up their boats from the river, and which they did not scruple to supply with all its impurities, regardless of consequences to those who consumed it. On this discovery it was held expedient to make other arrangements ; and it was proposed by the Chairman of the Justices that the Port Commissioners' offer to undertake the entire supply of water to the shipping, should be accepted ; but the Justices declined it on

which in the judgment of the Chamber were of the most illiberal and insufficient character, and the Committee considered it their duty to address that Body in the following representation.

From Chamber of Commerce to the Municipal Corporation.

Calcutta, 10th August 1876.

The Committee of the Chamber of Commerce desire me to address you on the subject of water supply to the shipping of this Port.

The Committee have noticed with much concern the result of the discussion of this question at the Quarterly Meeting of the Corporation held on the 27th of last month, and greatly regret the decision arrived at.

In their judgment the proposal of the Chairman involved a most reasonable compliance with the Port Commissioners' application to be permitted to supply the shipping with water of the same purity as the residents of Calcutta consume—not as a free gift at the expense of the tax-payers of the city, but at the cost and charges of those for whom they asked the concession and on terms which would add to the revenue of the Corporation: and to veto a proposition of such a character is to deprive the sea faring section of the public, European and Native, of a benefit which, instead of being illiberally withheld, should be, the Committee submit, generously and ungrudgingly bestowed.

The objection to the proposal appears to rest on the ground that the present supply of pure water is insufficient for the necessities of the city generally; that a preferential claim exists on the part of some of the poorer classes who have not convenient access to the ordinary means of satisfying their requirements, and that a sufficient supply should reach them before any concession can be made to the shipping.

The Committee are of opinion that that objection may be answered by declaring that any insufficiency in the supply of water for the requirements of all the inhabitants in every locality of the city is attributable, in a very great degree, to the uncontrolled waste which no adequate measures are apparently taken to prevent, and which probably far exceeds the quantity that would satisfy not only the wants of the people occupying the obscure parts of the town but the requirements of the shipping.

The Committee would further point out that in their opinion the Port Commissioners are entitled, as contributors to the water taxation of the city, to demand as a right what the Corporation decline to grant as a privilege; inasmuch as they not only contribute largely to the revenue of the Municipality but are also prepared in advance to pay 8 times the amount charged to other tax-payers; and it appears to the Committee that the shipping interest merits other treatment at the hands of the Corporation than exclusion from a benefit it is prepared to purchase, and that legislation must be appealed to for the removal of an obstruction thrown by an intolerant and selfish policy in the way of vessels visiting this port, whose services and necessities appear to be unappreciated and un-

cared for. It is the commerce of Calcutta that has made and maintains her the large and wealthy city she is: deprived of her commerce and her shipping she and with her her Municipality would sink into utter insignificance. Independently therefore of the reasons given above, and on this ground alone the present action of the Municipality appears to the Committee the most short-sighted policy for their own interests that they could have adopted—the more especially as the total annual wants of the shipping would not exceed, even if they amounted to, a single day's consumption by the entire population of Calcutta.

The privilege of purchasing pure water at a high rate is allowed to the inhabitants of the suburbs, and it appears to the Committee not only illiberal but unreasonable to refuse the same privilege to ships within the limits of the town, and therefore on the same footing as residents, when they are willing to purchase it at so greatly enhanced a price.

No. 262.

*From the Corporation of the Town of Calcutta
to Chamber of Commerce.*

Calcutta, 19th August 1876.

I am desired by the Chairman to acknowledge receipt of your letter dated 10th instant, respecting the discussion by the Commissioners at their Quarterly Meeting held on the 27th ultimo on the subject of water supply to the shipping of this Port.

2. In reply I am desired to say, that although the Commissioners refused to permit the Chairman to enter into the arrangement suggested with the Port Commissioners, the resolution carried did not order the supply of water to the shipping to be stopped.

Special Trains for Overland Mails from Bombay.

*From Chamber of Commerce to Director-General
of Post Office of India.*

Calcutta, 25th April 1876.

The frequent arrival of the overland mail steamers at Bombay at an early hour in the morning and the detention of the mails until the departure of the ordinary train at 6 in the evening induces the Committee of the Chamber of Commerce to inquire if it is not possible to obviate that detention, and to accelerate the delivery of letters for distant destinations?

On two occasions during the current month—the 6th and 20th instant—the mail packets were signalled before 6 A. M., and as the mails did not leave till 6 P. M., they were kept waiting in the Bombay Post Office for nearly 12 hours: and the Committee desire me to request you will favor them with the expression of your opinion whether the mails could not be transmitted under special arrangements so as to overtake the previous night's train at Jubbulpore or Allahabad: and whether the Government of India would sanction such acceleration and the cost thereof, if the saving of the time otherwise lost at Bombay could be so accomplished.

*From Director-General of the Post Office of India,
to Chamber of Commerce.*

Simla, 5th May 1876.

I have the honor to acknowledge the receipt of your letter of the 25th ultimo and in reply to state for the information of the Chamber that under existing regulations, a special train is employed for the conveyance of the overland mails from Bombay on all occasions when it is possible to catch up the ordinary train before the latter leaves Jubbulpore.

2. To overtake the ordinary train before or at Jubbulpore it is necessary to start the special train before or at midnight, so that it is only in the event of a late afternoon or evening arrival of the mails that the employment of a special train is of any advantage. The rule prescribed for the Bombay Post office is that a special train should be used when the last batch of overland mails reaches the Bombay Post office between 6-15 and 11-30 P. M. If this period were extended by 2 hours the special train starting at say 1-3 A. M. would not overtake the ordinary train before Allahabad.

3. The use under present rules of a special train as far as Jubbulpore involves a cost of Rupees 1,848, and the use of a similar train as far as Allahabad (although this has not been sanctioned by the Government) would cost at the same rate about Rs. 2,535.

4. To provide for the prompt transmission of overland mails arriving at Bombay (as in the cases referred

to by you) early in the morning, nothing short of a special train all the way to Calcutta would do: and the cost of such a service would not in my opinion be warranted by the circumstances or sanctioned by the Government.

Overland Parcel Post.

*From Chamber of Commerce to Director General
of the Post Office, Simla.*

Calcutta, 30th June 1876.

The attention of the Committee of the Chamber of Commerce has been drawn to the new postal regulation which comes into force from to-morrow, the 1st July, under which the limit of weight of samples sent by Pattern Post has been fixed at 8oz.; whilst that allowed for printed documents &c., has been fixed at 2lbs.

Under the present regulation, which will thus be superseded, merchants have constantly availed themselves of the privilege of sending home, via Brindisi, samples of different kinds of produce, and this has been attended with much convenience, but the reduction of the present limit of 5lbs to 8oz. will render it practically impossible to send such samples by post, because the packages which convey them must necessarily be of sufficient strength and of a weight which would, as a rule, exceed the limit, and the rule becomes almost prohibitory.

It is therefore submitted that the weight of packets of samples of merchandise should be at least equal to the

weight allowed for printed papers and legal and commercial documents, if indeed it is not permitted to exceed the 2lbs limit for the latter.

No. 3109.

From Post Office of India to Chamber of Commerce, Calcutta.

Simla, 18th August 1876.

In reply to your letter, of the 30th June, I have the honor to state, for the information of the Committee of the Bengal Chamber of Commerce, that I hope shortly to be in a position to notify the restoration of the old limit of weight (5lb.) in respect both of book packets and sample packets addressed to the United Kingdom, whether sent via Southampton or via Brindisi.

No. 4729.

From Post Office of India to Chamber of Commerce, Calcutta.

Simla, 26th October 1876.

In continuation of my No. 3109 dated the 18th August 1876 I have the honor to state that the restoration of the old limit of weight (5lb.) in respect of Book and Pattern packets exchanged between India and the United Kingdom has now been arranged, and that the change will be included in notification respecting Foreign Post correspondence now under issue by the Government of India.

APPENDIX.

ARTICLES.	Cwt. per Ton Nett.	Cubic feet per Ton.
Coral, rough	20	.....
Coir, loose and unscrewed	12	.....
Copras, or Coconut Kernel	14	.....
Coriander Seed	12	.....
Cotton	.....	50
Cowries	.....	.....
Cummin Seed	8	.....
" Black	8	.....
Cutch, in bags	18	.....
Dates, wet	20	.....
" dry	16	.....
Elephants' Teeth in bulk	20	.....
Furniture	.....	50
Garlic and Onions	12	.....
Ginger	16	.....
Gram	20	.....
Gums, in cases	.....	50
Gunny Bags and Gunny Cloth	.....	50
Gunjah	.....	50
Hemp	.....	50
Hides, Buffalo, or Cow, cured	14	.....
Hoofs, Horn Shavings and Tips	20	.....
Horns, Cow, Buffalo, or Deer	20	.....
India Rubber, in bags	16	.....
" in cases	.....	50
Indigo	.....	50
Iron	.....	50
Jute	20	.....
Jute Cuttings	.....	50
Lac Dye	.....	50
Lard	.....	50 gross.
Linsed	20	.....
Mace	.....	50
Machinery	.....	50
Metals	20	.....
Mistle Seed	20	.....
Mirabolans	18	.....
Molasses	16	.....
Mother o' Pearl, in bags	.....	2 punchoons or 4 hlds.
" chests	20	.....
Munjeet	20	.....
Mustard or Rape Seed	.....	50
Niger Seed	20	.....
Nutmegs, in cases or casks	.....	50

ARTICLES.	Cwt. per Ton Nett.	Cubic feet per Ton.
Nux Vomica	16	.....
Onis	16	.....
Oil, in cases	.....	50
" casks	.....	4 hlds.
Opium	.....	per chest
Paddy	16	.....
Palmitine, in bags	16	.....
Peas	20	.....
Pepper, Long	12	.....
" Black	14	.....
Planks and Deals	.....	50
Poppy Seed	20	.....
Putchuck	10	.....
Rags	.....	50
Raw Silk, in bales	10	.....
Rattans for damage	20	.....
Red Wood, ditto	20	.....
Rheas	20	.....
Rice	.....	50
Rope, in coils	.....	16
" Lines and Twines, in bundles	.....	2 punchoons or 4 hlds.
Rum, in casks	.....	50
Sallflower	.....	50
Sago, in cases	.....	50
Sat-amoniac, in bags	.....	20 gross.
" boxes	.....	20
Saltpetre	20	.....
Salt	20	.....
Sapou Wood for dunnage	20	.....
Sealing Wax, in cases	.....	50
Seed-lac, in cases	.....	50
" bags	16	.....
Senna	.....	50
Shells, rough, in bags	.....	50
Sho-lac, in cases	.....	16
" bags	.....	50
Silk Chissum	.....	50
Waste	.....	50
Silk Piece Goods	.....	50
Skins	14
Soap, country, in cases	50
" bags	18
" bar	20
Stick Lac, in cases	50
" bags	16

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|--|-----------------|
| 12. On guaranteeing Bills, Bonds, or other engagements, and on becoming security for administration of Estates, or to Government for the disbursement of public money | ... 2½ percent. |
| 13. On <i>del-credere</i> or guaranteeing the due realization of sales | ... 2½ " |
| 14. On the management of Estates for Executors or Administrators | ... 2½ " |
| 15. On chartering ships or engaging tonnage for constituents for vessels to proceed to outports for loading | ... 2½ " |
| 16. On advertising as the Agents for Owners or Commanders of ships for cabin passengers, on the amount of passage money, whether the same shall pass through the Agent's hands or not | ... 2½ " |
| 17. On procuring freight for a ship by a shipping order or charter, or on procuring employment for a ship on monthly hire, or acting as Agents for owners, Captain, or charterers of a vessel upon the gross amount of freight, brokerage inclusive | 5 " |
| 18. On engaging Asiatic Emigrants for a ship to the Mauritius, the West Indies, or elsewhere, upon the gross amount of earnings | ... 5 " |
| 19. On engaging troops for a ship to Great Britain or elsewhere, on the gross amount of passage money for rank and file | ... 2½ " |
| 20. On realising inward freight, inward troop, Emigrant, or Cabin passage money | ... 2½ " |
| 21. On landing and re-shipping goods from any vessel in distress, or on landing and selling by auction damaged goods from any such vessel, and acting as Agent for the Master on behalf of all concerned on the declared value of all such goods as may be re-shipped, and on the net proceeds of all such goods as may be publicly sold | .. 5 " |
| If Opium, Indigo, Raw Silk, or Silk Piece Goods | ... 2½ " |
| If Treasure, Precious Stones, or Jewellery | ... 1 " |

NEW BUSINESS.

Messrs. Got, Bru and Co., and Messrs. A. R. McIntosh and Co., have been elected by the Committee members of the Chamber, subject to confirmation.

FUNDS OF THE CHAMBER.

The Chamber's balance on 31st October amounted to Rs. 2,009-10-6, exclusive of Rs. 10,000 in 4 per cent Government Securities.

J. C. MURRAY,

President.

MEMBERS OF THE CHAMBER OF COMMERCE.

- Agehsto, A. and Co.
- Apear and Co.
- Ashbauer and Co.
- Anderson, Wright and Co.
- Balfour, J., *Offr. Agent, Oriental Bank Corporation*
- Barlow and Co.
- Begg, Dunlop and Co.
- Bloch, J., *Offr. Manager, Comptoir D'Escompte de Paris.*
- Borradaile, Schiller and Co.
- Buelin, E. G.
- Burn and Co.
- Calder, G. L., *Offr. Agent of the Eastern Bengal Railway Company.*
- Charles Seehews and Co.
- Carritt & Co.
- Cochrane, S., *Manager, Agra Bank, Limited.*
- Colvin, Corrie and Co.
- Crooke, Home and Co.
- Cox, Henry S.
- Cohn Brothers and Co.
- DeSouza, Thos. and Co.
- Duncan Brothers and Co.
- Dunbar, Dutt and Co.
- Ede and Holson.
- Ernsthausen and Oesterley.
- Fering and Co.
- Elliott, John and Co.
- Farr, E. D. I.
- Fergusson, J. H. and Co.
- Finlay, Ruir and Co.
- Gisborne and Co.
- Got, Bra & Co.
- Graf and Haueiger.
- Graham and Co.
- Grinlay and Co.
- Golday, Elias S.
- Henderson George and Co.
- Heigera, F. W. and Co.
- Hoare, Miller and Co.
- Hoare, Goodwin & Coles.
- Huber and Co.
- Jardine, Skinner and Co.
- Kettlewell, Bullen and Co.
- Kelly and Co.
- Ker, Dods and Co.
- King, Hamilton and Co.
- Longmuir, T., *Manager, Delhi and London Bank, Limited.*
- Lovell, H. P., *Supdt., P. & O. Steam Navigation Company.*
- Mackilloan, J. and Co.
- Macallister, R. and Co.
- Mackinnon, Mackenzie and Co.
- Mackenzie, Lyall and Co.
- Mannell and Co.
- MacKnight, Anderson and Co.
- McIntosh, A. R. & Co.
- Moran, W. and Co.
- Morris, E., *Agent, Hong-Kong and Shanghai Banking Corporation.*
- Nicol, Fleming and Co.
- Petroeschino Brothers.
- Praonkissen Law and Co.
- Ralli Brothers.
- Ralli and Mavrojiul.
- Rainhold and Co.
- Robert and Charriol.
- Renties and Co.
- Robinson, S. H., *Secretary, Goosery Cotton Mills Co.*
- Reid, J. M., *Agent, Chartered Mercantile Bank of India, London, and China.*
- Smayson, J., *Agent, Chartered Bank of India, Australia and China.*
- Schroder, Smith and Co.
- Schoene, Kilburn and Co.
- Sassoon, David and Co.
- Shaw, Finlayson and Co.
- Steel, Octavian & Co.
- Thomas, J. and Co.
- Tarnor, Morrison and Co.
- Toulmin, L. W. and Co.
- Tanvees and Co.
- Tanbact, Paul and Son.
- Ullmann, Hirschhorn and Co.
- Vallette, N. J. and Co.
- Verhulst Brothers.
- Wilson, H. F., *(Dispossal)*
- Windman, J., *Manager, National Bank of India.*
- Whitney Brothers and Co.
- Williamson Brothers and Co.
- Wiseman, Mitchell, Reid and Co.
- Yule, Andrew and Co.

RULES AND REGULATIONS

OF THE

BENGAL CHAMBER OF COMMERCE.

- First*.... That the Society shall be styled "The BENGAL CHAMBER OF COMMERCE."
- Second*.... That the object and duty of the Bengal Chamber of Commerce shall be to watch over and protect the general commercial interests of the Presidency of Bengal, and specially those of the port of Calcutta; to employ all means within its power for the removal of evils, the redress of grievances, and the promotion of the common good; and, with that view, to communicate with Government, public authorities, associations, and individuals; to receive references from, and to arbitrate between, parties willing to abide by the judgment and decision of the Chamber; and to form a code of practice to simplify and facilitate transaction of business.
- Third*.... That merchants, bankers, ship-owners, and brokers shall alone be admissible as members of the Chamber.
- Fourth*.... That candidates for admission as members of the Chamber shall be proposed, and seconded by two members, and may

be elected by the Committee provisionally, such election being subject to confirmation at the next ensuing General Meeting.

Fifth.....That the subscription of firms and banks shall be 16 rupees per mensem, of individual members 10 rupees per mensem, and of mofussil members 32 rupees per annum.

Sixth ... That any member of the Chamber whose subscription shall be three months in arrears shall cease to be a member, and his name shall be removed by the Committee from the list of members after one month's notice of such default.

Seventh... That the business and funds of the Chamber shall be managed by a Committee of not less than five nor more than seven Members, including the President and Vice-President, to be elected annually at a General Meeting of the Chamber in the month of May; the President, or, in his absence, the Vice-President, being ex-officio Chairman of the Committee, and in the absence of the President and Vice-President, the Committee to elect its own Chairman. Three to form a quorum.

Eighth.... Annual elections of President, Vice-President, and members of the Com-

mittee shall be determined by a majority of votes of members, such votes being given in voting cards to be issued by the Secretary,—numbered and bearing his signature; and no voting card shall be received for such purpose unless so authenticated. All vacancies created by the absence of the President, or Vice-President, from the Presidency for three months or by departure for Europe, or by death, shall be forthwith filled up, and the election determined by votes to be taken as above and declared by the Committee. All vacancies created as above by the absence, departure, or death of any of the Members of the Committee shall be forthwith filled up by selection by the Committee subject to approval at first ordinary general meeting thereafter.

 *It is specially requested that before a Member is returned to serve on the Committee his nominator shall have ascertained his willingness to accept office in the event of his election by voting cards.*

Ninth... That parties holding powers of procurator shall, in the absence of their principals, be eligible to serve as members of the Committee.

- Tenth...* Two members of a firm or representatives of a bank shall not serve on the Committee at the same time.
- Eleventh.* That the Committee shall meet for the purpose of transacting such business as may come within the province of the Chamber at such times as may suit their convenience, and that the record of their proceedings be open to the inspection of members, subject to such regulations as the Committee may deem expedient.
- Twelfth.* That all proceedings of the Committee be subject to approval or otherwise of General Meetings duly convened.
- Thirteenth.* That a half-yearly report of the proceedings of the Committee be prepared, printed, and circulated for information of members three days previous to the General Meeting, at which such report and proceedings of the Committee shall be submitted for approval.
- Fourteenth.* That the Secretary shall be elected by the Committee; such election to be subject to confirmation at the next ensuing General Meeting.
- Fifteenth.* That General Meetings of the Chamber shall be held at such times as the Com-

- mittee may consider convenient for the despatch of business.
- Sixteenth.* That any number of members present shall be held to constitute a General Meeting, called in conformity with the Rules of the Chamber for the despatch of ordinary business.
- Seventeenth.* That on the requisition of any five members of the Chamber, the President, or, in his absence, the Vice-President, or Chairman of Committee, shall call a Special General Meeting, to be held within 15 days subsequent to receipt of such requisition.
- Eighteenth.* That every subscribing firm or bank shall be entitled to one vote only, and that the Chairman of Committee and Chairman of General Meetings and Special General Meetings shall have a casting vote in cases of equality of votes.
- Nineteenth.* That parties holding powers of procuration shall, in the absence of their principals, be entitled to vote.
- Twentieth.* That voting by proxy shall be allowed; provided proxies are in favour of members of the Chamber.
- Twenty-first.* That the Chamber reserves to itself the right of expelling any of its members

such expulsion to be decided by the votes of three-fourths of members present in person or by proxy at any Special General Meeting of the Chamber convened for the consideration of such expulsion.

Twenty-second. That strangers visiting the Presidency may be admitted by the Committee as honorary members for a period not exceeding two months.

Twenty-third. That no change in the rules and regulations of the Chamber shall be made except by the votes of a majority of the members of the Chamber present in person or by proxy at a Special General Meeting to be held after previous notice of three months.

