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MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

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Not to be folded or roughly handled

*Proceedings of the Madras Government, Financial Department,
20th May 1862.*

Read the following papers:—

No. 84. From JOHN McIVER, Esq., Secretary and Treasurer Bank of Madras; to the Honorable T. PYCROFT, Esq., Chief Secretary to Government, Fort Saint George, dated 11th April 1862, No. 17-271.

Prior to the publication in the Gazette of the 1st instant of the Financial Notification of the Government of India, No. 43 of 13th March 1862, the Directors of the Bank had resolved to address Government, stating that information had reached them to the effect that difficulties are thrown in the way of holders of Currency Notes receiving Silver for them, and to urge the importance of issuing Circular Notices to all Collectors intimating the desire of Government that in all cases when it can be done without inconvenience, Silver be given in exchange for Notes and *vice versa* and also that in all Districts Currency Notes be received in payment of Revenue.

On the publication by Government of the Notification just referred to, I delayed addressing you till I should have another opportunity of ascertaining the wishes of the Directors, I have now the honor by their desire to state that though the Notification in question will certainly have a beneficial effect, yet as it leaves room for a doubt whether it is the desire of Government that in all Districts Currency Notes should whenever and by whomsoever presented be received in payment of Government dues, they think that Circulars containing a more explicit intimation to this effect should be addressed to all Collectors with instructions to communicate the same to their Subordinates, and to take the most effectual means to make the fact generally known throughout their respective districts.

Referred to the Accountant General.

(Signed) T. PYCROFT,
Chief Secretary.

FORT SAINT GEORGE,
15th April 1862.

No. 85. From F. LUSHINGTON, Esq., Acting Accountant General; to the Chief Secretary to Government, Fort Saint George, dated 3rd May 1862, No. 5.

Book and Adjustment Department.

I have the honor to acknowledge the receipt of the Order of Government, dated the 15th ultimo, referring for my report, a letter from the Secretary and Treasurer of the Bank of Madras, stating that information had reached the Directors of difficulties having been thrown in the way of holders of Currency Notes receiving Silver for them, and suggesting for the consideration of Government, whether it would not be advisable that a Circular should be addressed to all Collectors, informing them, that it is the "desire of Government, that in all cases when it can be done without inconvenience, Silver be given in exchange of Notes, and *vice versa*," and further "that in all Districts, Currency Notes should, whenever and by whomsoever presented, be received in payment of Government dues."

2. It is to be inferred from the above communication, that it is the desire of the Directors of the Bank, that the new Currency Notes shall be received in payment of Government dues, not only in the Huzur, but also in the Taluq Treasuries of every District in this Presidency, and further, that whenever practicable, the Notes shall be exchanged for Silver in every Taluq and Huzur Treasury.

3. If the foregoing inference be correct, I regret that I am unable to give the proposition of the Directors my support. The new Currency Notes are, as the Government are aware, not suited to the requirements of this Presidency, their denominations being in the English, Persian and Hindee characters, languages unknown to a very large number of the Officers in charge of the Taluq Treasuries in this Presidency, and there would be therefore the double risk of loss by forgery, and of Notes being received at erroneous values, were the proposition of the Directors to be fully carried out, as suggested by them.

4. It may be said that the risk of forgery would not be very great, and for some time at least, I do not think that any serious apprehension need be entertained on that score. But at the same time, it must be remembered, that Notes of the Bombay Bank, have been successfully

...I delayed addressing you

*Proceedings of the Madras Government, Financial Department,
20th May 1862.*

imitated and passed for payment; nor should it be forgotten that a clever counterfeit would not be required to deceive the eye of a Native Officer, unacquainted with the signature of the Commissioner of Issue, and also ignorant of all the characters written on the face of the Notes. I am quite satisfied that no Bank or Mercantile Firm would be willing to accept the same risks under similar circumstances. These risks must, however, of necessity, be incurred by Government in those Districts, in which the Notes have been declared to be a legal tender, and I am of opinion that it would be well to watch carefully the results of that measure in those Districts before extending its operation generally to all other Districts, as proposed by the Directors.

5. With regard to the Huzur Treasuries, the same difficulties will not arise, and the only objection which I can at present foresee to allowing all Government demands to be paid into those Treasuries in Currency Notes is the inconvenience and expense which will occasionally have to be incurred in supplementing the funds of some of the Treasuries, by remittances of Silver from other Districts. But this objection does not appear to me a serious one, and certainly not of sufficient gravity to outweigh the importance of promoting by every possible means, the free circulation of the Currency Notes throughout the Presidency, and I beg to suggest therefore that all Collectors be directed to receive Notes in their Huzur Treasuries in payment of Government dues of every description, and further, that they be required to give every facility for exchanging Notes for Silver, whenever the state of their Treasuries will admit of their doing so. In Bengal, I may remark, Land Revenue and all other Government demands are paid into the Huzur Treasury only, there being in fact no other Treasury in the District, so that, the rules promulgated there, for the guidance of Treasury Officers, regarding the receipt and payment of the Currency Notes would not be altogether applicable to the circumstances of this Presidency.

6. I beg in conclusion, to submit for the consideration of Government, whether it might not be advisable, in future, to stamp on the Currency Notes, their values in the Telugoo and Tamil characters, previous to their issue from the Mint, which would in some measure, prepare the way for their free circulation throughout the Districts. It might perhaps be also well to stamp on the Notes to be handed over to the Branch Bank at Cochin, their values in Malayalum and Canarese.

No. 56.

ORDER THEREON, 20th May 1862, No. 380.

In their Secretary's letter of the 11th ultimo, the Directors of the Bank of Madras suggested that with the view of facilitating the circulation of the new Currency Notes and by way of supplementing the instructions conveyed in the Financial Notification issued by the Government of India, under date the 19th March last, No. 43, a Circular should be addressed to all Collectors to the effect that "in all Districts Currency Notes should whenever and by whomsoever presented be received in payment of Government dues."

2. The suggestion having been referred to the Acting Accountant General for his opinion, that Officer in his letter of the 3rd instant assuming that it is the intention of the Bank Directors that the instructions suggested by them should apply to the Taluq as well as to the Huzoor Treasuries, objects to the issue of such an order with reference to the Taluq Treasuries on the ground that the denominations of the present Notes are inscribed on them only in the English, Persian and Hindec (meaning apparently Bengalee) characters, all of which languages being unknown to a large number of the Officers in charge of the Taluq Treasuries in this Presidency "there would be the double risk of loss by forgery and of Notes being received at erroneous values, were the proposition of the Directors to be fully carried out." "It may be said" Mr. Lushington observes "that the risk of forgery would not be very great, and for some time at least, I do not think that any serious apprehension need be entertained on that score. But at the same time, it must be remembered, that Notes of the Bombay Bank, have been successfully imitated and passed for payment; nor should it be forgotten that a clever counterfeit would not be required to deceive the eye of a Native Officer, unacquainted with the signature of the Commissioner of Issue, and also ignorant of all the characters written on the face of the Notes. I am quite satisfied that no Bank or Mercantile Firm, would be willing to accept the same risks under similar circumstances. These risks must, however, of necessity, be incurred by

*Proceedings of the Madras Government, Financial Department,
20th May 1862.*

"Government in those Districts in which the Notes have been declared to be a legal tender, and I am of opinion, that it would be well to watch carefully the results of that measure in those Districts, before extending its operation generally to all other Districts, as proposed by the Directors." As regards the Huzoor Treasuries Mr. Lushington concurs in the suggestion of the Directors of the Bank and recommends that all Collectors should be required to receive Notes in the Huzoor Treasuries in payment of Government dues of every description, and further that they should be required to give every facility for exchanging Notes for Silver whenever the state of their Treasuries will admit of their doing so.

3. He suggests in conclusion that in future the values of the Notes should be stamped on them in the Telugu and Tamil characters previous to their issue from the Mint, and that those to be handed over to the Branch Bank at Cochin should have their values stamped on them in Malayalum and Canarese.

4. The Governor in Council concurs in the objections urged by the Acting Accountant General against the immediate issue of any general order for the receipt of Notes into the Taluq Treasuries in payment of Government dues, but he resolves to direct that the course recommended by the Directors of the Bank shall be adopted in all cases in which the Officer in charge of the Treasury, whether Huzoor or Taluq, is sufficiently acquainted with English to obviate any risk of Notes being received at erroneous values.

5. The suggestion made in the concluding paragraph of Mr. Lushington's letter has been anticipated in the Proceedings* of Government, under date the 9th instant, wherein orders have been issued for stamping the values of the New Currency Notes in the Tamil, Telugu and Malayalum characters. It is not necessary to adopt any separate stamps for Canarese, the characters of that and the Telugu language being so much alike.

6. A case has recently been brought to the notice of Government in which the Officer in charge of a Taluq Treasury having Currency Notes in his charge considered it his duty to make a reference to the Collector before complying with an application which was made to him to give one or more such Notes in exchange for Silver. Such a reference was obviously unnecessary, and was opposed to the instructions of the Supreme Government conveyed in the Notification before referred to, to the effect that all due facilities should be given for the circulation of the Notes. Every Officer in charge of a Treasury should be informed that whatever restrictions may have been imposed upon him in regard to the receipt of Notes he is bound to give such Notes as may be in his charge in exchange for Silver whenever and by whomsoever they may be applied for.

(Signed) A. J. ARBUTHNOT,
Acting Chief Secretary.

Exd. F. Cartledge.

Fort Saint George,
Accountant General's Office,
3rd May, 1862.

From The Acting Accountant General.
To The Chief Secretary
to Government.

Sir,
I have the honor to acknowledge the receipt of the order of Government dated the 15th ultimo, referring for my report, a letter from the Secretary and Treasurer of the Bank of Madras, stating that information had reached the Directors of difficulties having been thrown in the way of holders of Currency Notes receiving silver for them, and suggesting for the consideration of Government, whether it would not be advisable that a Circular should be addressed to all Collectors, informing them, that it is the "desire of Government, that in all cases when it can be done without inconvenience, silver be given in exchange of Notes, and vice versa", and further, "that in all Districts, Currency Notes should, whenever, and by whomsoever presented, be received in payment of Government dues."

2. It is to be inferred from the above communication, that it is the desire of the Directors of the Bank, that the new Currency Notes shall be received in payment of Government dues, not only in the Mazars, but also in the Taluk Treasuries of every District in this Presidency, and further, that whenever, practicable, the Notes shall be exchanged for silver in every Taluk and Mazar Treasury.

3. If the foregoing inference be correct, I regret that I am unable to give the propositions of the Directors my support. The new Currency Notes are, as the Government are aware, not

limited

ferred to I delayed addressing you

No 17/271.

To

The Honorable

J. P. P. Esq.

Chief Secretary to Government.

Sir,

Prior to the publication in the Gazette of the 1st Instant of the Financial Notification of the Government of India No 43 of 13th March 1862, the Directors of the Bank had resolved to address Government, stating that information had reached them to the effect that ^{are thrown} ~~are~~ difficulties in the way of holders of Currency Notes receiving Silver for them, and to urge the importance of issuing Circular Notices to all Collectors intimating the desire of Government that in all cases when it can be done without inconvenience, Silver be given in exchange for Notes and vice versa, and also that in all Districts Currency Notes be received in payment of Revenue.

On the publication by Government of the Notification just referred to I delayed addressing you

No 15 April 1862

April 1862

Alp

Now the Secretary to Government

Chief Secretary to Government

Chief Secretary to Government

Chief Secretary to Government

Chief Secretary to Government

Chief Secretary to Government

Chief Secretary to Government

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Chief Secretary to Government

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Chief Secretary to Government

till I should have another opportunity
of ascertaining the wishes of the Directors.
I have now the honor by their desire
to state that tho' the Notification
in question will certainly have a
beneficial effect yet as it leaves
room for a doubt whether it is the
desire of Government that in all
districts Currency Notes should
whenever and by whomsoever pre-
sented be received in payment of
Government dues, they think that
Circulars containing a more explicit
intimation to this effect should be
addressed to all Collectors with
instructions to communicate the
same to their Subordinates, and
to take the most effectual means
to make the fact generally known
throughout their respective districts.

I Have the honor to be
Sir,

Your obedient Servant.

Wm M: Ayr

Secretary and Treasurer

Bank of Madras
Madras 11th April 1862.

Financial Department.

PROCEEDINGS of the MADRAS GOVERNMENT.

Read the following letters:

From the Secretary & Treasurer
Bank of Madras - Res. n. 11 April 1862 No. 17/271.

From the Ag. Account Genl. - 1 - " - " - 3 May - " - " - 5

Order thereon 20th May 1862 No. 380

In their Secretary's letter of the 11th ultimo the Directors of the Bank of Madras suggested that with the view of facilitating the circulation of the new currency notes and by way of supplementing the instructions conveyed in the Financial Notifications issued by the Govt. of India under date the 19th March last No. 43, a Circular should be addressed to all collectors to the effect that "in all Districts currency notes should whenever and whenever presented be received in payment of Govt. dues."

2. The suggestion having been referred to the Acting Accountant General for his opinion, that officer in his letter of the 3rd instant assuming

(Signature)

Well

W

Final 1862 Sept

From

Secy & Treasurer
Bank of Madras.

162
11th April 1862
17/271

No. 308

Suggesting the expediency of circulars containing explicit instructions to the effect of currency notes being received in all Districts in payment of Govt. dues. Being addressed to all Districts with instructions to transmit to the same to their Subordinates.

With an Order

No.

Approved to the Secy General.

16th March 1862

(Signature)
Chief Secy to Govt

To Secy General

16th Sept 1862
In Reply 16/9/62 The.

assuming that it is the in-
tention of the Bank Directors
that the instructions suggested
by them should apply to the
Taluk, as well as to the Muzoor
Treasuries objects to the issue
of such an order with refer-
ence to the Taluk Treasuries
on the ground that the
denominations of the present
notes are inscribed on them
only in the English, Persian
and Sindhi (meaning appa-
rently Banjalee) characters
all of which languages
being unknown to a large
number of the officers in
charge of the Taluk Treasuries
in this Presidency
there would be the double
risk of loss by forgery
and of notes being received
at erroneous values were
the proposition of the
Directors to be fully carried
out. - It may be said Mr
Lushington observes that
the risk of forgery would
not be very great and for
some time at least ^{it is not probable} he thinks
that any serious appre-
hension need be entertained
on that score. - But at the
same time, it must be re-
membered, that notes of
the Bombay Bank, have
been successfully imitated
and passed for payment.
nor should it be forgotten
that

15
" that a clever counterfeit
" would not be required to
" derive the use of a native
" officer, unacquainted with
" the signature of the Commis-
" sioner of Sine, and also
" ignorant of all the charac-
" ters written on the face
" of the Notes. ^{It is} quite
" satisfied that no Bank or
" or Mercantile Firm, would
" be willing to accept the
" same risks under similar
" circumstances. These risks
" must, however of necessity,
" be incurred by Govt. in
" those Districts in which
" the Notes have been declared
" to be a legal tender, and
" ⁱⁿ ~~the~~ of opinion, that
" it would be well to watch
" carefully the results of
" that measure in those
" Districts, before extending
" its operation generally to
" all other Districts, as
" proposed by the Directors.
" As regards the Muzoor Treasuries
" Mr Lushington con-
" curs in the suggestion of
" the Directors of the Bank &
" ^{and suggests} that all collectors
" should be required to receive
" Notes in the Muzoor Treasuries
" in payment of
" Govt. dues of every des-
" cription and further that
" they should be required to
" give every facility for
" exchanging

rechanging Notes for Silver whenever the state of their Treasuries will admit of their doing so.

3. He suggests in conclusion that in future the values of the Notes should be stamped on them in the Telugu and Tamil character previous to their issue from the Mint and that those to be handed over to the Branch Bank at Calcutta should have their values stamped on them in Malayalam & Gujarati.

4. The Governor in Council concurs in the objections urged by the Acting Accountant General against the immediate issue of any general order for the receipt of Notes into the Taluk Treasuries in payment of Govt. dues but he resolves to direct that the course recommended by the Directors of the Bank shall be adopted in all cases in which the officer in charge of the

7 N^o 344

the Treasury whether Murzoor or Taluk is sufficiently acquainted with English to obviate any risk of Notes being received at erroneous values.

5. The suggestion made in the concluding paragraph of Mr. Rushington's letter has been anticipated in the Proceedings of Govt. under date the 9th Inst. wherein orders have been issued for stamping the values of ^{the} New Currency Notes in the Tamil, Telugu and Malayalam characters. It is not necessary to adopt any separate stamps for Gujarati the characters of that and the Telugu language being so much alike.

6. A case has recently been brought to the notice of Govt. in which the officer in charge of a Taluk Treasury having currency notes in his charge considered it his duty to make a reference to the Collector before complying with an application

application which was
 made to him to give one
 or more such notes in
 exchange for silver. Such
 a reference was obviously
 unnecessary and was ~~not~~
~~mainly~~ opposed to the
 instructions of the Su-
 preme Govt. conveyed in
 the Notification before
 referred to to the effect
 that all due facilities
 should be given for the
 circulation of the notes.
 Every officer in charge
 of a Treasury should
 be informed that what-
 ever restrictions may
 have been imposed upon
 him in regard to the
 receipt of notes he is
 bound to give such notes
 as may be in his
 charge in exchange for
 silver whenever and by
 whomsoever they may
 be applied for.

Every facility should
 also be given for ~~exchange~~
 of ~~exchange~~ notes ~~between~~
 & the local treasuries for
 their purpose, when the state
 of the treasury admits of it.

To the Directors of the Bank of Madras. Desp 22^d
 " Acting Accountt. Genl.
 " Collectors of the several Districts. Desp 23^d

L. K.

76 C-2150

Annals 1862. Department.

No. 380.

PROCEEDINGS of the MADRAS
GOVERNMENT.

Printed 20 May 1862

84-286

20