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MADRAS RECORD OFFICE.

Government of Madras.

Finance DEPARTMENT.

G.O. No.	<i>417</i>	Press ~~Mis.~~
<i>3-4-</i>		
Dated	<i>3-6-</i>	<i>1862.</i>

*3-4**6/7*Not to be folded or roughly handled

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*Proceedings of the Madras Government, Financial Department,
3rd June 1862.*

No. 3. Read the following letter from H. A. MANGLES, Esq., Acting Accountant General ; to the Acting Chief Secretary to Government, Fort Saint George, dated 20th May 1862, No. 26.

Book and Adjustment Department.

I have the honor to acknowledge receipt of Government Order No. 364, dated 15th May 1862, calling for any remarks I may have to offer on Mr. Brice's application to be allowed to establish Agencies for the issue of the Paper Currency at Cochin, Calicut, Mangalore, Coimbatore, Bellary, Madura and Palamcottah.

2. The Madras Bank has already opened a Branch at Cochin, and a similar establishment has been sanctioned by Government, at Ootacamund, in the Coimbatore District, so that, two out of the seven places mentioned by Mr. Brice, may be said to be already occupied.

3. There appears to be no objection to the selection of Calicut, Mangalore, Bellary, Madura and Palamcottah, Agencies for issue of the Notes, as they are the principal towns in their respective districts. Nor to the Treasury Cash balances being made over to the Banks under arrangements similar in character to those made in the Presidency Town; but, as regards, the assertion of Mr. Brice, that he has a preferential claim to establish Branches in those places, this Office has no information, or grounds on which to form an opinion.

4. The full selection of Agencies of issue will, however, probably be a matter that will require time for decision—but this appears to be no reason for withholding even for a time, the benefits of the Paper Currency, from a large portion of the population of this Presidency. At present, the Government Notes are a legal tender in only six out of the 19 Districts of this Presidency, while in Bombay, they are received in the whole of the Presidency proper, and so in Lower Bengal, with the exception of the outlying and hilly Districts.

5. The establishment of Branch Banks, will be a great boon to the Commercial community, but a notification by the Government, that its Notes are a legal tender throughout the Presidency, will be appreciated by all classes of its subjects, Natives as well as Europeans.

6. The Collector of Kistna has already intimated to this Office, the inconvenience to which the people of his district are subjected, by his inability to receive the new Notes, as payment of demands of Revenue. The Collector of Malabar has also represented, on account of the Bank at Cochin, the discredit that will be brought on the Notes, if they are not received at the Custom House at Calicut.

7. The Government of India have stated it to be their desire, that, as far as possible, every legitimate means should be employed to promote the free circulation of the Currency—but as long as Officers in charge of Treasuries refuse to receive Government Notes, as payment of Revenue, in Districts in which they are not a legal tender, suspicion is naturally excited in the minds of the Natives, as to the security upon which they have been issued.

No. 4. ORDER THEREON, 3rd June 1862, No. 417.

As resolved in Proceedings of the 15th ultimo, No. 364, paragraph 1, the Governor in Council will defer disposing of the application of the Managing Director of the East India Cotton Company until he receives the Orders of the Secretary of State on the application which has been made direct to the Home Government.

2. The suggestions made in Mr. Mangles' letter have been already to a great extent anticipated by the Orders conveyed in the Proceedings of Government, under date the 20th ultimo, to the effect that the new Currency Notes should be received in payment of Government dues in all cases in which the Officer in charge of a Treasury, whether Huzoor or Taluq, is sufficiently acquainted with English to obviate any risk of Notes being received at erroneous values.

3. The Acting Accountant General will be good enough to ascertain and report to what Treasuries the restriction contained in the above Order will apply.

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

Exd. F. Cartledge.

Book and Adjustment Department.

N^o 26 Fort Saint George,
Accountant General's Office,
20 May, 1862,

From The Acting Accountant General,
To The Chief Secretary to Government
Fort Saint George.

Sir,

I have the honor to acknowledge receipt of Government order N^o 366, dated 15th May 1862, calling for any remarks I may have to offer on Mr. Brice's application to be allowed to establish Agencies for the issue of the Paper Currency at Cochin, Calicut, Mangalore, Coimbatore, Bellary, Madurai and Palamcottah.

2. The Madras Bank has already opened a Branch at Cochin, and a similar Establishment has been sanctioned by Government, at Ootacamund, in the Coimbatore District, so that, two out of the seven places mentioned by Mr. Brice, may be said to be already occupied.

3. There appears to be no objection to the selection of Calicut, Mangalore, Bellary, Madurai and Palamcottah, Agencies for issue of the Notes, as they are the principal towns in their respective districts. Nor to the Treasury cash balances being made over to the Banks under arrangements similar in character to those made in the Presidency Towns, but

but, as regards the assertion of Mr. Price, that, he has a preferential claim to Establish Branches in those places, this Office has no information, or grounds on which to form an opinion.

4. The full selection of Agencies of issue will, however, probably be a matter that will require time for decision. - but this appears to be no reason for withholding even for a time, the benefits of the paper Currency, from a large portion of the population of this Presidency. At present, the Government Notes are a legal tender in only six out of the 19 districts of this Presidency, while in Bombay, they are received in the whole of the Presidency proper, and so in Lower Bengal, with the exception of the outlying and hilly districts.

5. The Establishment of Branch Banks, will be a great boon to the commercial community, but a notification by the Government, that its Notes are a legal tender throughout the Presidency, will be appreciated by all classes of its Subjects, Natives as well as Europeans.

6. The Collector of Hissar has already intimated to this Office, the inconvenience to which the people of his district are subjected, by his inability to receive the new Notes, as payment of demands of Revenue. The Collector of Malabar has also represented, on account of the Banks at Cochin, the discredit that will be brought

brought on the Notes, if they are not received at the Custom house at Calicut.

7. The Government of India have stated it to be their desire, that, as far as possible, every legitimate means should be employed to promote the free circulation of the currency. but as long as Officers in charge of Treasuries refuse to receive Government Notes, as payment of Revenue, in districts in which they are not a legal tender, suspicion is naturally excited in the minds of the natives, as to the security upon which they have been issued.

I have the honor to be,
Sir,

Your Obedient Servant,
R. M. Mangles
Acting Accountant General.

Camp & Co.

Copied M. M. M. M.

1-7
Financial Department.

PROCEEDINGS of the MADRAS GOVERNMENT.

Read letter from the Acting
Accountant General.

(Dated 20 May 1862 No 26)

Order thereon 3^d June 1862 No 417

It is resolved in Proceedings
of the 15th Instant. No 364,
para 1, the Governor in
Council will defer dis-
posing of the applica-
tion of the Managing
Director of the East In-
dian Cotton Company
until he receives the
orders of the Secretary of
State on the application
which has been made
direct to the Home Govt.

2 The suggestions made
in Mr. Haughey's letter
have

1700-18 May 1862 No 364

1700-18

The Acting Accountant General

The Acting Chief Secretary
to Government

Received 20th May 1862

No 421

Remarks on Mr. Donnell's
to be allowed to retain his
for the issue of the Paper Currency
of Ceylon, Calcutta, Bangalore
Bombay, Bikaner, Madras
and Palamcottah.

344

contained in the above
orders will apply.

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have been already to a
great extent anticipated
by the orders conveyed
in the Proceedings of
Court under date the 20th
Instant. to the effect that
the new currency notes
should be received in
payment of Government
dues in all cases in
which the Officer in
charge of a Treasury,
whether ~~Major~~ or ~~Colonel~~,
is sufficiently acquainted
with English to obviate
any risk of notes being
received at erroneous
values.

3 The Ag. Accountant
General will be good
enough to ascertain &
report to what Treasuries
the restriction contained

To Accty General 3 Sept 3rd

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80. LHO

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Office of the Secretary of the Treasury
No. 4117
1862. Department.

PROCEEDINGS OF GOVERNMENT.

7. 11. 255-1/63

Dated 3. 9. June 62

Order directing
of the application of
the Managing Director
of the East India Cotton
Company to establish
agencies for the issue
of the Paper currency at

at certain Districts
until Government
receives the orders
of the Secretary of
State on the applica-
tion which has
been made direct to
the Home Govt. and
requesting the Accountant
General to ascertain
and report to what
amounts the res-
trictions contained in P.O.
N^o 380 20th ultimo will
apply.