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# MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

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|----------|-------|--------|
| G.O. No. | 453   | Press  |
| 61-63    |       | Mis.   |
| Dated    | 16-6- | 18 62. |

61-62

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Not to be folded or roughly handled

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*Proceedings of the Madras Government, Financial Department,  
16th June 1862.*

Read the following papers:—

No. 61. From JOHN McIVER, Esq., Secretary and Treasurer Bank of Madras; to the Acting Chief Secretary to Government, Fort Saint George, dated 2nd June 1862, No. 17-709.

I have the honor by desire of the Directors to acknowledge receipt of the Proceedings of Government with Orders thereon of 20th and 24th May 1862, Nos. 380 and 395, respectively.

With reference to the suggestion of Mr. Lushington that the values of the Currency Notes should be stamped thereon in the Telugoo and Tamil characters, and which suggestion has been anticipated in the Proceedings of Government No. 344 wherein orders have been issued for stamping the values of the new Currency Notes in the Tamil, Telugoo and Malayalum characters, I am desired to observe that the Directors have grave doubts as to the advisability of dealing with the Notes in this manner. It would unquestionably have been desirable that the values in these characters should have originally formed part of the Note, but they consider that it would be a mistake to supply the omission by printing the Tamil, Telugoo and Malayalum characters representing their value across the Notes. After enquiry on the subject they are satisfied that it is not necessary in order to the free circulation of the Notes that they should bear these characters and that any advantage to be derived from their being impressed on the Notes now would be more than neutralized by the disadvantages attending it. Chief among these is the greater facility for fraud which would thus be afforded. A great many Notes are already in circulation and it must be evident that if the Vernacular characters are those to which Natives would look to ascertain the value of the Notes, nothing would be more easy to persons fraudulently disposed than to impress on these Notes in the Vernacular characters higher values than those for which they were issued, and then to pass them for the fictitious value indicated in Tamil and Telugoo. In illustration of this view of the question it may be stated that the frauds successfully perpetrated with the Notes of the Bank of Bombay to which Mr. Lushington refers in support of his views were not as he would appear to suppose effected by counterfeiting the Notes; but by cutting from the corners of Notes of high value, say Rupees 1,000, the Native characters representing that sum and fixing them on to Notes of lower value say Rupees 100, and thus passing off Rupees 100 Note for Rupees 1,000. Whereas had the receivers in these cases looked at the English characters in the body of the Notes they could not have been imposed upon.

Mr. Lushington states that there are many Officers in charge of Taluqu Treasuries who are unacquainted with the characters indicating the value of the Notes, and that the suggestion of the Directors if acted on would involve risks which the Government should not be expected to bear. The Directors cannot see any force in this argument. They think that no Officer should be in charge of any Treasury who cannot decipher the English characters on the Currency Notes and any chance of inconvenience on this ground might be obviated by depositing in each Taluqu Treasury for reference a genuine Note of each denomination.

The Directors see not the slightest reason to apprehend any risk, from acting to the fullest extent on their suggestion, which the Government may not accept without hesitation. But admitting that there may be some risk, they would ask, what is that risk when set against the object in view, viz., the removal of the discredit which, among a suspicious people, naturally attaches to a Government paper issue which the Government itself refuses to receive as money. If the scheme of a Government Paper Currency is of any value at all it is worth while encountering the trifling risks Mr. Lushington refers to in order to give it an ample development, and I am desired to observe in conclusion that these considerations seem to have been allowed their due weight in Bengal and Bombay where, if the Directors are rightly informed throughout the whole Presidencies with the exception of some remote and outlying districts, the Currency Notes have been made legal tender.

These are matters however which affect the Bank only in a very secondary degree, and in making these suggestions, the Directors are chiefly influenced by their desire to promote the success of a great public measure.

*Proceedings of the Madras Government, Financial Department,  
16th June 1862.*

No. 62. From Lieutenant Colonel C. A. ORR, Commissioner for the Department of Issue of Paper Currency; to A. J. ARBUTHNOT, Esq., Acting Chief Secretary to Government, Fort Saint George, dated 4th June 1862, No. 10.

Having observed that in the 5th paragraph of the Proceedings of Government, under date the 20th May 1862, No. 330, which have been communicated to the Directors of the Bank, it is stated that Orders had been issued for stamping the values of the new Currency Notes on them in Telugoo, Tamil, and Malayalam, I have the honor to inform you that I did not understand the Order of the 9th May 1862, No. 344, to convey to me orders to that effect, but as simply directing the Professor of Vernacular Literature in the Presidency College to furnish me with the figures used in these three languages for transmission to the Head Commissioner of the Department of Issue at Calcutta, to whom they were accordingly despatched as soon as received.

2. There are some serious objections, I think, to now stamping the Notes with their respective values in the Vernacular figures, but should Government nevertheless consider it necessary to have them so stamped, I beg that I may be furnished with explicit orders to that effect.

No. 63. ORDER THEREON, 16th June 1862, No. 453.

It is not the intention of the Governor in Council that the Currency Notes which have been received from Calcutta should have their value stamped on them in the Vernacular characters of this Presidency. In their Proceedings of the 20th ultimo, the Government merely referred to the orders passed in their Proceedings of the 9th idem, directing that the Commissioner of Issue should be furnished with printed inscriptions of the figures, and in those languages for transmission to the Head Commissioner of Issue at Calcutta, as requested by the latter Officer in his letter of the 23rd April last.

2. The Governor in Council is not prepared at present to extend any further the operation of the order conveyed in paragraph 4 of the Proceedings of the 20th ultimo, directing that the new Notes shall be received in payment of Government dues in every Treasury in which the Officer in charge is acquainted with English.

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

N<sup>o</sup> 10.

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From Lieut. Colonel C. A. Orr,  
Commissioner for the Dept of Issue,  
of Paper Currency.

To A. J. Arbuthnot Esq.,  
Acting Chief Secretary,  
to Government.  
Fort St. George.

Sir,

Having observed that in the  
5th para of the Proceedings of Government  
under date the 20<sup>th</sup> May 1862 No. 330, which  
have been communicated to the Directors  
of the Bank, it is stated that orders  
had been issued for stamping the values  
of the new Currency Notes on them in  
Telugoo, Tamil, and Malayalam, I  
have the honor to inform you that I  
did not understand the order of the  
9<sup>th</sup> May 1862, No. 344, to convey to me  
orders to that effect, but as simply  
directing the Professor of Vernacular  
Literature.

Literature in the Presidency College to  
furnish me with the figures used in  
these three languages for transmission  
to the Head Commissioner of the Depart-  
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they were accordingly despatched as soon  
as received.

2 There are some serious objections,  
I think, to now stamping the notes  
with their respective values in the  
vernacular figures but should Govern-  
ment nevertheless consider it necessary  
to have them so stamped, I beg that  
I may be furnished with explicit  
orders to that effect.

I have the honor to be,  
Sir,

Your most obedient servant

Charles A. B. R.

Commissioner for the  
Department of Issue.

Madras,  
Mint,  
4<sup>th</sup> June 1862 }

590

Financial Department.

Final 1862 Sept

Vro: 24<sup>th</sup> May 162 On 395  
" 20 " " 380

Final 20 June.

From

The Secy & Treasurer  
Bank of Madras. 17/709.

2<sup>nd</sup> June 1862.  
3<sup>rd</sup>

No. 466

Objecting, for reasons  
explained, to the adoption  
of the suggestion of Mr.  
Lushington that the values  
of the Currency Notes should  
be stamped thereon in the  
Telugu & Tamil Cha-  
racters.

In their proceedings of the  
20<sup>th</sup> Ultimo, the Govt. merely  
referred to the orders passed  
in their proceedings of the

9<sup>th</sup>

Final 20 June

62-

Final 1862 (Sept)  
From the Commission  
of the Debt of India  
of John Lawrence  
Madras  
to the Acting Chief  
Secretary to Govt.  
of Madras

Final 20 June

Final 20 June 1862

No. 470

Requies that the

orders of Government

of 19<sup>th</sup> May 1862 No 341, were

not introduced to the

effect indicated in para

5 of the Proceedings of

Government under date

the 20<sup>th</sup> Ultimo No 350, and

requies explicit orders.

Financial Department.

PROCEEDINGS of the MADRAS GOVERNMENT.

Read the following letters,

From the Secy. & Treasurer } New enter 2<sup>nd</sup> June 1862 No 7/79  
Bank of Madras.

From the Commissioner of } do — do — 4<sup>th</sup> June 1862 No 10,  
the Dept. of Issue of Paper }  
Currency, Madras.

Order thereon 16<sup>th</sup> June 1862 No 453.

It is not the intention of the Governor in Council that the Currency notes which have been received from Calcutta should have their value stamped on them in the Vernacular characters of this Presidency. In their proceedings of the 20<sup>th</sup> Ultimo, the Govt. merely referred to the orders passed in their proceedings of the

9<sup>th</sup> idem, directing that the  
Commissioner of Ipue should  
be furnished with printed  
inscriptions of the figures,  
and in those languages for  
transmission to the Head  
Commissioner of Ipue at  
Calcutta, as requested by the  
latter officer in his letter of  
the 23<sup>rd</sup> April last.

2. The Governor in Coun-  
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sent to extend any further  
the operation of the order con-  
veyed in para 1, of the pro-  
ceedings of the 20<sup>th</sup> ultimo,  
directing that the new notes  
shall be received in payment  
of Government dues in every  
treasury in which the Officer  
in Charge is acquainted  
with English?

Directors of the  
Madras Bank.

Commissioner of

Revenue & Paper Currency.

Coling. Sect. Genl.

W. H.

W. C. 20/10

25/10/18

List of 30 June

6/26/63

1862.

Department.

No. 453

PROCEEDINGS OF GOVERNMENT.

Dated 16 June/62